

Vol. 788
No. 78



Thursday
11 January 2018

PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS

OFFICIAL REPORT

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Abbreviation	Party/Group
CB	Cross Bench
Con	Conservative
DUP	Democratic Unionist Party
GP	Green Party
Ind Lab	Independent Labour
Ind LD	Independent Liberal Democrat
Ind SD	Independent Social Democrat
Ind UU	Independent Ulster Unionist
Lab	Labour
LD	Liberal Democrat
LD Ind	Liberal Democrat Independent
Non-afl	Non-affiliated
PC	Plaid Cymru
UKIP	UK Independence Party
UUP	Ulster Unionist Party

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House of Lords

Thursday 11 January 2018

11 am

Prayers—read by the Lord Bishop of Gloucester.

Fisheries: London Convention—Withdrawal Question

11.06 am

Asked by **Lord Hannay of Chiswick**

To ask Her Majesty's Government under what authority they notified on 3 July 2017 the United Kingdom's decision to withdraw from the London Fisheries Convention of 1962; and what account they took of the provisions of the Fishery Limits Act 1964 and of European Union Regulation 2371/2002 before making that decision.

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Gardiner of Kimble) (Con): My Lords, the London Fisheries Convention provides access to fish in UK territorial waters from six to 12 nautical miles. Similar provisions appear in the common fisheries policy. Article 15 of the convention permits parties to withdraw with two years' notice. The UK gave notice on 3 July 2017, using prerogative powers. Before making this decision, we considered all relevant legislation, including the 2013 regulation that replaced the 2002 regulation and the 1976 Act that replaced the 1964 Act.

Lord Hannay of Chiswick (CB): My Lords, I thank the Minister for that Answer and for his courtesy in fielding a number of importunate questions on this matter from me over recent months. He started by trying to answer a lot of questions that I did not ask, but he has now answered the question that I did and told us that the royal prerogative has been used for this purpose. I wonder whether he thinks that is a trifle risky, given the Government's experiences in the Supreme Court over Article 50. It is quite clear that the Fishery Limits Act 1964, which came after the conclusion of the London convention, was designed to take into domestic law the provisions of the London convention. On 15 June 1964, when introducing the Second Reading of that Bill, the then Minister of Fisheries said:

"The purpose of the Bill is to establish the fishery regime in our waters for which the Convention provides".—[*Official Report*, Commons, 15/6/1964; col. 946.]

Noble Lords: Too long.

Lord Hannay of Chiswick: Sorry; I thought that the Minister might wish to be reminded of what one of his predecessors at the Dispatch Box said. My question is this: does that not make the situation even more risky due to the way in which the Government have acted without a parliamentary process?

Lord Gardiner of Kimble: My Lords, I assure noble Lords that a great deal of consideration went into this matter. For instance, the Supreme Court made it clear

that an Act of Parliament was not required where a treaty did not grant individual rights. We decided that we should trigger article 15 to give complete clarity, so that when it comes to us leaving the common fisheries policy we could have a clean slate on which to negotiate for all our waters. We are talking about between six and 12 nautical miles, but it is in the 12 to 200 nautical mile median line that the vast bulk of fishing takes place. The 1976 Act provides Ministers with the power to designate which countries can fish in UK waters. We are all looking forward to the negotiations, so that we can have sustainable fishing.

Lord Robathan (Con): My Lords, has the common fisheries policy been to the benefit of the UK fisheries industry or not?

Lord Gardiner of Kimble: My Lords, one of the key elements is that we have a responsibility to fish all these waters sustainably, and those in this country and in the EU should be proud of that. One of the great things we have been able to do co-operatively, and what I would like us to do afterwards, is ensure that in UK waters we fish all stock sustainably. We need to work in collaboration.

Baroness Jones of Whitchurch (Lab): The noble Lord will know that the Government played a significant role in creating the new EU multilateral management plan for the North Sea, and have indicated that we want to carry on participating in this plan or a similar one in the future, post Brexit. Does he believe that the EU 27 will take this commitment at face value in the light of the unilateral decision to withdraw from the London Fisheries Convention? Will not the rest of the EU think this is rather provocative and respond accordingly?

Lord Gardiner of Kimble: My Lords, the countries involved in the London Fisheries Convention expected this to happen. It deals with the six to 12 miles issue when already we will leave the 12 to 200 miles agreement when we leave the common fisheries policy and the EU. This is why we took the decision that we did. As I have said, we want to work with partners, because fish stocks need to be sustainably driven. However, it gives an opportunity for the excellent fishing fleets in all parts of our kingdom to fish productively, sustainably and profitably.

Baroness Bakewell of Hardington Mandeville (LD): My Lords, I have heard what the Minister has said, but does he not agree that the Government must allow full parliamentary scrutiny of decisions affecting historic rights of access to UK and European waters?

Lord Gardiner of Kimble: My Lords, as I have said, a great deal of consideration went into this. Article 5 and annexe 1 of the Council regulation deal with historic rights. They are already in the common fisheries policy and it was a moot point as to whether we needed to address this issue at all. We thought it would be open and honest with the partners we have in the London convention formally to trigger that we would be leaving in two years' time.

Lord Forsyth of Drumlean (Con): My Lords, the Question of the noble Lord, Lord Hannay, asked on what authority the Government were acting. Surely the answer to that is the authority of the 17.6 million people who voted to leave the European Union and restore our ability to redress the damage done to fishing communities throughout the United Kingdom. Does the Minister agree that to describe as provocative this Government exercising their authority on behalf of the people tells us everything we need to know about the Opposition's position on withdrawal from the European Union?

Lord Gardiner of Kimble: My Lords, it is right that fishing was one of most potent parts of this political issue. Fishing fleets and communities up and down the land are looking to us to have our waters fished sustainably and to ensure that we have continuing fish stocks. We have had success with cod—we need that more—and it is important that we now get on with negotiations and have a proper dialogue with other countries, including Norway, Iceland and the Faroe Islands, as well as the EU so that we can ensure that UK waters have sustainable fish stocks. I am grateful to my noble friend for his question.

Lord Watts (Lab): My Lords, the Minister will be aware that many British fishermen sold their rights to catch to the Portuguese and the Spanish. Will the Government pay compensation to them and, if so, how much will that cost?

Lord Gardiner of Kimble: I am afraid I do not have that detail. I had better write to the noble Lord.

Lord Pearson of Rannoch (UKIP): Do the Government agree that our fishing industry epitomises our capture by the corrupt octopus in Brussels and that our complete escape will be the acid test of Brexit?

Lord Gardiner of Kimble: My Lords, it will be helpful for your Lordships to know that the seafood sector employs 33,000 people and contributes £1,441 million to the economy. This is why we need to work with the fishing industry on the new arrangements to ensure that we have a successful domestic fishing fleet in sustainable waters.

NHS: Winter Funding *Question*

11.14 am

Tabled by Baroness Thornton

To ask Her Majesty's Government, given the timing of the grant of additional funding to the National Health Service to prepare for winter at the end of November 2017, how they will assess the use and impact of that additional funding.

Baroness Wheeler (Lab): My Lords, on behalf of my noble friend Lady Thornton, I beg leave to ask the Question standing in her name on the Order Paper.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord O'Shaughnessy) (Con): My Lords, in the Autumn Budget, we allocated £337 million to be available immediately for trusts to use this winter. This package funded more hospital beds, community services, mental health services and urgent GP appointments to manage the expected surge in demand. After Easter, the NHS, as last year, will undertake a full review of this winter and identify any lessons for the future. We expect that that will include an assessment of the impact of this funding.

Baroness Wheeler: I thank the Minister for his response. He will have seen the BMA's stark analysis of one week between Christmas and new year. In just those seven days, bed occupancy rose to 91.4%, 39 ambulances were diverted from A&Es that were too busy to cope, 731 beds were closed due to diarrhoea or vomiting, and by the end of the week, 3,400 escalation beds had to be opened because hospitals were full. Today's figures and the warnings from NHS Providers tell the same sorry story. Does the Minister accept that announcing extra funding in November/December was far too late to prevent the worst period across the winter so far or the Government having to announce the bombshell of 550,000 cancelled operations? Can he also tell the House how the Prime Minister's plan will now be revised to reflect these everyday realities and come up with the urgent action and funding that is needed to help the NHS cope with its worst winter crisis in two decades?

Lord O'Shaughnessy: I would hope that the noble Baroness would welcome the money that was set aside in the Budget. It is important to point out that in addition to that £337 million, half of which has gone to support plans that were already in place and being actioned before the Budget, there was a further £100 million to support A&E streaming, which is also a way of taking pressure off emergency services. That has had an impact, so I do not accept the accusation that the money came too late, and indeed there is still money in the pot as services come under pressure.

As regards the future, the noble Baroness will know that it was also announced in the most recent Budget that another £2.8 billion would be allocated to the NHS to help it get through the next few years. We know that the pressures are increasing because of the ageing population. The idea of that money is precisely to help the NHS get back on target on A&E waits as well as referral to treatment.

Lord Clark of Windermere (Lab): My Lords—

Baroness Watkins of Tavistock (CB): My Lords—

The Lord Privy Seal (Baroness Evans of Bowes Park) (Con): It is the turn of the Cross Benches.

Baroness Watkins of Tavistock: My Lords, will the Minister ask the newly named Department of Health and Social Care to consider funding a pilot of four weeks of social care on discharge for frail elderly people to assess whether this would release patient beds and enable in-depth assessments to be made of future needs? This should be done now rather than wait for a full evaluation to be made.

Lord O'Shaughnessy: I shall certainly take that interesting idea to the new Minister for social care. The noble Baroness will be pleased to note that the number of delayed transfers of care actually fell in the run-up to winter as a result of the extra money that went into social care. However, she has put forward an excellent idea and I shall certainly take it to my new colleague.

Baroness Jolly (LD): My Lords, £100 million of the money announced by the Chancellor went into primary care streaming, which is designed to keep all but the most ill out of A&E. Some £55 million of that was handed out in April and £21 million in June. Can the Minister give an indication of the impact thus far of primary care streaming and tell the House where the other £24 million went?

Lord O'Shaughnessy: Nine out of 10 type 1 A&E departments now have streaming in place, so the money has gone into that. However, obviously we want to get to 100% so that is where the extra funding will go, but it is already having an impact. A full quantitative evaluation will take place at the end of the winter.

Lord Porter of Spalding (Con): My Lords, will my noble friend confirm that this Government have spent more on the National Health Service than any of their predecessors—considerably more as a proportion of our income, particularly in a world where money is in short supply? Does he agree that the only way to get a truly sustainable health service is to make sure that adult social care is funded to an adequate level? He has already acknowledged that the delays in transfers to social care that result in bed blocking have been reduced, indeed at twice the rate of the delays caused by health service internal delays. From what we have seen over the past few months, it is clear that money invested in social care is the best way of helping the health service.

Lord O'Shaughnessy: I thank my noble friend for pointing out the fact that no Government have funded the NHS like this one. Indeed, the proportion of public spending taken up by NHS spending has been increasing in the last seven years, contrary to the views held by those opposite. On the impact of adult social care, my noble friend speaks with great wisdom. We know that money invested in the social care sector has a big impact. It already has, as he pointed out. That is why it is meaningful that the department has taken on full control over social care policies so we can push ahead with integration, which, as we know, is the right way to solve these problems.

Lord Clark of Windermere: My Lords, it is a question not only of money, but of planning and training staff. Did the Minister see yesterday that the head of chemotherapy at Churchill Hospital, Oxford, said that cancer treatment and chemotherapy were being delayed and curtailed because of the lack of trained nurses? Yet the Prime Minister denies this. Who are we to believe?

Lord O'Shaughnessy: I think that the trust has been clear that there are not going to be delays. If the noble Lord is talking about the story on the front page of

the *Times* yesterday, the trust has subsequently been clear that it will not delay or curtail its treatments. We know that more nurses are required. That is why, as I am sure he will be pleased to know, there have been around 11,700 more nurses on wards in the last seven years.

Baroness Hollins (CB): My Lords, I have heard from clinicians, including an on-call psychiatrist working over Christmas at St George's Hospital in south London, about the difficulties experienced and the teamwork displayed to manage the exceptional strain and capacity problems hospitals face. Particular concern was expressed about the pressure to discharge patients quickly and the possible impact on people with learning disabilities or serious mental illness, especially given similar pressures in social care. What steps are being taken to prevent this, for example, by targeting flu vaccination to these vulnerable groups, but also to monitor the impact on them?

Lord O'Shaughnessy: The noble Baroness is right to pay tribute, as we should all do, to the incredible work that NHS and social care staff are doing during winter. Of course there is a need to discharge patients, but that should be only when it is clinically appropriate. If she has seen or heard of instances in which she believes that that is not the case I urge her to write to me with them. On how we deal with vulnerable groups, one example is clearly flu vaccination. I point out, and this is important, that not only were flu vaccinations offered for all NHS staff for free this year, with 60% uptake, but for the first time they were also offered to care home staff. That is a really important point about making sure we go to the community to prevent infection.

Food Safety Standards: Brexit *Question*

11.22 am

Asked by Baroness Jones of Whitchurch

To ask Her Majesty's Government what steps they are taking to ensure that, after Brexit, current United Kingdom food safety standards are not undermined by the import of poorer quality food produced to lower animal welfare standards from the United States and other potential trading partners.

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Gardiner of Kimble) (Con): My Lords, I declare my farming interests as set out in the register. We want to advance the consumption of great British food both at home and abroad. Our food is held in high repute thanks to our animal welfare and food safety standards. The withdrawal Bill will transfer on to the UK statute book all EU food safety and animal welfare standards. Our current high standards, including import requirements, will apply when we leave the EU.

Baroness Jones of Whitchurch (Lab): I thank the Minister for that reply, but is he aware that Liam Fox has agreed with American officials that their trade talks will be held in secret and that the US Commerce

[BARONESS JONES OF WHITCHURCH]

Secretary has said that scrapping the hygiene rules that hinder US exports of food to the UK and others would be a,

“critical component of any trade discussion”?

Is he also aware that Liam Fox is previously on record as saying that there is nothing wrong with chlorine-dipped poultry, despite its use to disguise huge bacterial contamination, such as salmonella and E. coli, which arise from its inadequate hygiene standards? The Government are clearly desperate for a US trade deal, so how can we be sure that the interests of British consumers and farmers will not be sacrificed in pursuit of that bigger prize, or are the Government ultimately prepared to walk away if compromise is demanded in those negotiations?

Lord Gardiner of Kimble: My Lords, I am grateful for this opportunity, because clearly, as I said, the withdrawal Bill will bring back legal requirements on to our statute book. Yes, of course we want to have a vibrant trade arrangement with the United States of America—I hope all your Lordships wish to have vibrant trade arrangements around the world; we are a trading nation after all—but we have been very clear that we are not going to water down or compromise on the standards I have set out. Indeed, they will be transferred into our own domestic law. The very points that the noble Baroness raised will be on the statute book.

Baroness McIntosh of Pickering (Con): My Lords, does my noble friend agree that the Food Standards Agency will have a key role to play in ensuring high food safety standards? This will obviously have resource and staff implications, and a whole raft of regulatory instruments will presumably have to be adopted. What is the Government’s proposed timetable to approve them?

Lord Gardiner of Kimble: My Lords, all the agencies, including the Food Standards Agency, play a hugely important role in terms of consumer confidence. It is important that we ensure that the resources are put in place—as we are doing in Defra, with additional resources to deal with many of these things—so that we can continue to have the confidence that we should have. I want to be clear again: we will not compromise on the standards that will be on the statute book. Those are the requirements that we will adhere to in any trade deals.

Lord Purvis of Tweed (LD): My Lords, if these standards had been established under existing EU trade arrangements, a mandate would have been sought and secured by the Commission from the Council and then published for the Parliament. The Government have not done that with this Parliament. A public scoping exercise would have been carried out and published, and this Parliament through our MPs would have been able to consider that, too. That also is not happening. Why are the Government proposing under this working group fewer opportunities for this Parliament to intervene and less transparency even at this stage of the discussions? In respect of the trade Bill, the mechanism that Parliament would have as a result of this exercise

is an unamendable single statutory instrument. Why are the Government proposing less transparency and fewer opportunities for parliamentary accountability than we currently have by virtue of our membership of the European Union?

Lord Gardiner of Kimble: My Lords, I shall take the opportunity to take that question away and look at it so that I give a proper and detailed reply, of which I shall put a copy in the Library, because it is important. This Government are absolutely clear that we want trade deals. They will be reputable for all sorts of reasons that I have outlined, and we certainly want transparency.

Lord Trees (CB): My Lords, for some time after Brexit and with many countries, we will inevitably trade under WTO standards. There seems to be some uncertainty as to what extent animal welfare standards such as stocking rates of broiler chickens and so on can be used as conditions of trade under WTO rules. Have the Government sought legal advice on this? If so, can the UK legally demand that certain standards be met under WTO rules?

Lord Gardiner of Kimble: My Lords, as I have said, on our statute book will be all the current EU welfare standards, but there are some recent WTO cases which we think will be helpful and we are giving them active consideration.

Lord Rooker (Lab): I commend the Minister for the firmness with which he has put the case that the Government will not deviate from our standards. That is to be commended, and of course it is noted. That being the case, will he have a word with his colleagues in the other departments who keep saying that Brexit will lead to cheap food? It is inconsistent to talk about cheap food, because the only way that can arise is if our own poultry industry, pig industry and beef industry are decimated by cheaper imports based on lower standards.

Lord Gardiner of Kimble: I have said what I have said, my Lords, which is that I am absolutely clear that we will not water down any of our standards. They will already be on the statute book when Parliament has enacted the EU withdrawal Bill. They will be UK statute.

Baroness Smith of Newnham (LD): My Lords, no Parliament can bind its successor. What assurance can the Minister give us that, on day 2 after leaving the European Union, there could not be proposals to water down those rules? Will we be told that the 17.4 million people who voted to leave wanted to change the rules to get a deal with the United States?

Lord Gardiner of Kimble: The noble Baroness has set out the position: that no Parliament can bind its successors. All I have been absolutely clear in saying is that the direction of travel of this Government is that we are not watering down; there will be requirements on the UK statute book. It would be for Parliament to decide in the future what it wanted to do, but I have been absolutely clear about the direction of travel.

Domestic Abuse: Clare's Law Question

11.29 am

Asked by **Baroness Gale**

To ask Her Majesty's Government what action they are taking to ensure that all police forces in England and Wales implement fully and consistently "Clare's Law" on the right of a member of the public to request background checks on their partners in relation to domestic abuse.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, HMICFRS's latest report, published last year, highlighted improvements in the police response to domestic abuse and identified continuing challenges, including variable use of the domestic violence disclosure scheme, also known as Clare's law. The Home Secretary is driving improvements in the police response by ensuring that police leaders take action on HMICFRS's findings by chairing a national oversight group. The Government will also publish a draft domestic abuse Bill to drive a transformation in how all agencies, including the police, respond to domestic abuse to afford better protection to victims and bring perpetrators to justice.

Baroness Gale (Lab): My Lords, I thank the Minister for her reply, but is she aware that when Clare's law was introduced in 2014 it was regarded as a potential life saver but it is not working as intended? It depends on what part of the country one lives, as disclosure rates vary enormously. It is patchy, to say the least, and this is just not good enough. Many police forces are just not promoting and advertising Clare's law. If they did, it could not only save lives but offer protection against domestic abuse. Will the Minister agree to look at this matter to find out why the law is not working as intended and report her findings back to your Lordships' House? I really hope that she will not find that it is as a result of cuts in the police service. Some people working in the police service are saying that they do not have the resources to do this work.

Baroness Williams of Trafford: The noble Baroness highlights an important point. She is absolutely right to raise it and that is why, in my initial Answer, I said that the Home Secretary sees this as so important that she chairs the oversight group to review the progress being made in this area. The noble Baroness is right that we need consistency across police forces in tackling this issue. The new licence to practise will ensure that police officers have the skills they need to tackle this type of abuse—something they have perhaps not been sufficiently trained in previously.

Baroness Burt of Solihull (LD): My Lords, the implementation of Clare's law in this country is a postcode lottery, as the noble Baroness pointed out. This is totally unacceptable when two women a week are killed by their partners or ex-partners. What is being done to ensure that the public always receive an answer to their requests, and to make them aware of Clare's law and their right to make such a request?

Baroness Williams of Trafford: I think my Answer to the noble Baroness, Lady Gale, answered that question, but the noble Baroness is absolutely right to point out that unless victims of domestic violence know of the existence of both the right to know, from the victim's point of view, and the right to ask, the system will not work properly. The guidance to police has recently been updated to clarify what the police's powers of disclosure actually are.

Lord Laming (CB): My Lords, does the Minister recall that Her Majesty's Inspectorate recently published a report on the failure of the Metropolitan Police to respond appropriately to a very large number of cases in which children were seriously at risk? I assume that some of these children were the kind of children we are talking about this morning. Can she say what action is being taken?

Baroness Williams of Trafford: The noble Lord is absolutely right to raise this point because, of course, the effect on children of even one incident of domestic violence can be lifelong and change their whole psyche. That is why the new domestic abuse Bill will look not only at victims of domestic violence, but at the effect domestic violence has on children.

Baroness Kennedy of The Shaws (Lab): My Lords, the Minister will know that in the last month we have seen the sentencing of a man who killed his third partner. He threw his first partner off a veranda on the ninth floor of a multi-storey building. He pleaded guilty on the grounds of provocation, was sentenced and released after nine years. He killed a second partner and invoked diminished responsibility manslaughter, and was placed in a secure hospital from which he was released after two years. He was thirdly convicted of attacking a partner with a claw hammer and then strangling her with the cord of a dressing gown. How can it be that someone is released after two years in a secure hospital and there been no oversight of his position in society?

At the moment there are requirements—often made by judges—that such people notify the police if they enter into new relationships. That involves self-referral. It is rather a silly idea that someone is going to notify the police when they embark on another relationship. Such oversight is essential, particularly in the circumstances of homicide and particularly given, as the noble Baroness mentioned, that two women a week are killed by their partners. The majority of deaths of women are at the hands of partners. Are we going to have an integrated system to make sure that there is oversight, particularly in homicide cases?

Baroness Williams of Trafford: There are several questions there but I shall attempt to answer them all. The noble Baroness is absolutely right to highlight the issue of multiple instances of domestic violence, where the perpetrator may go on to commit still more violence against women. The domestic abuse Bill will certainly look at sentencing. There is also the whole issue of the right not only to know but to ask. It is incumbent on the police to deliver the right to know. That is why the Government have placed such emphasis on domestic violence and how it affects all sections of society.

[BARONESS WILLIAMS OF TRAFFORD]

It affects health, particularly mental health, and we are absolutely determined to tackle it. The noble Baroness is not wrong in saying that we need to tackle it from both a legislative and a non-legislative point of view, and that is precisely what we are doing.

Business of the House

Timing of Debates

11.37 am

Moved by **Baroness Evans of Bowes Park**

That the debates on the motions in the names of Lord Best and Baroness Kidron set down for today shall each be limited to 2½ hours.

Motion agreed.

Housebuilders

Motion to Take Note

11.37 am

Moved by **Lord Best**

That this House takes note of the performance of the United Kingdom's major housebuilders.

Lord Best (CB): My Lords, I am delighted to introduce this debate on the performance of the UK's major housebuilders and, in advance, I thank all noble Lords who are joining in. For some excellent briefings and reports, I also thank our Library, the property analyst Alastair Stewart, Shelter, the Town and Country Planning Association and the Local Government Association. I declare my interest as vice-president of the last two of these. My contribution to this debate is to note that the UK's major housebuilders are not going to achieve either the quantity or the quality of the new homes the nation needs. I will then suggest ways in which the current situation might be improved.

For well over 50 years, the private sector housebuilders have built something in the region of 150,000 homes a year. That was less than half the total in times past, but with the demise of council housebuilding this contribution has become 80% today with, thankfully, housing associations providing most of the rest. There is no reason to expect this sector dramatically to increase its output. Indeed, it is not in the interests of the industry to end the scarcity of homes that has driven up house prices. Over the five years to 2013, for example, while housebuilding nosedived to a post-war low, the stock market valuation of Britain's largest housebuilders rose by 342%.

Moreover, the shape of the housebuilding industry has changed dramatically in recent years: there are just half as many small and medium-sized builders as there were 10 years ago. The SME builders have seen their share of the market drop from about two-thirds of new homes in the 1980s to around 37% 10 years ago, and to just 12% today. Meanwhile, fewer than a dozen major housebuilders are responsible for 70% of the nation's new housing, with just eight companies accounting for well over half the total. It is crystal clear not only that private sector housebuilders will

never get us anywhere near the 300,000 homes we need but that relying on this sector now means dependency on a very small number of huge firms. This brings with it the dangers of the market being controlled by a small, powerful oligopoly.

The business model for the major volume housebuilders has let us down. With some notable exceptions, too often these companies appear to do whatever it takes to secure the land, concentrating on pristine greenfield sites. They then promise plenty of affordable housing and developer contributions, but once planning consent is granted, they tell councils that viability means they must renege on agreements made, in particular by reducing drastically the number of affordable homes previously pledged. If the local authority has the temerity to object, the housebuilder may threaten to go to expensive appeal, deploying well-paid consultants who can easily outgun grossly underresourced local authority planners.

The volume housebuilders are also accused of using bog-standard national pattern-book designs, unsympathetic to local circumstances, and of shoddy workmanship and poor customer care. As a member of the 2016 inquiry of the APPG for Excellence in the Built Environment, I was appalled by the tales we heard of defective construction—water cascading through roofs, mould inside and out, inoperative drains et cetera—and the difficulties encountered in getting these problems fixed. We noted that 93% of buyers had had problems with their builders and that customer dissatisfaction had grown from 10% of buyers in 2013 to 14% in 2015, leaving some 15,500 dissatisfied homebuyers that year. Then there is the scam—which I am thankful the Government are keen to address—of the big housebuilders selling houses on a leasehold basis with fiercely escalating ground rents.

Productivity in the industry remains very low, with a chronic lack of investment in modern technology or new materials. All work is subcontracted, very often with bills not paid until as late as possible. There is a disgraceful disregard for the need to replace the ageing indigenous workforce and train a new generation, the industry instead relying heavily on imported labour, mostly from eastern Europe, which may well be a more scarce resource post Brexit.

The response to this dependency on a handful of major housebuilders must be to support alternative providers, and the Government are indeed bringing forward a range of measures to this end. I commend the diversification policies set out by the Secretary of State, Sajid Javid, and my criticism is rather that each of them does not go far enough. They involve, first, backing those councils who are up for it as direct housing providers. After all, councils were building almost 200,000 homes a year when I started in housing. We need to go further than the Chancellor's latest move to allow an increase in the borrowing limit for certain authorities in as yet undefined places. All councils should be able to borrow freely, as in Scotland, within the existing prudential borrowing rules which protect against any risky borrowing, and to add a further boost councils should be able to keep 100% of their receipts from further council house sales to plough back into building replacement affordable homes.

Secondly, we must boost further the all-important output of housing associations, which could certainly double their current programme of 30,000 to 40,000 homes a year. It was good to hear the Prime Minister announce in October extra money for so-called social rented homes, in contrast to recent policies that have driven housing associations to charge rents too high in many areas for those in severe need, but the level of the essential government grant for this programme is relatively modest, and more of the same is badly needed.

Thirdly, we should be giving life to the more specialist providers like community land trusts, custom housebuilding projects and an exciting new generation of garden town development corporations.

Fourthly, we should be bolstering the smaller, local housebuilders who are well suited to handling small sites and more specialist schemes. Many are run by people living and working locally who are keen to train their own workforce and see their efforts enhancing their own communities, not blighting them. The Government's announcement that local plans should include 20% of future homes on small sites could be a game changer in favouring small firms, alongside their enlarged guarantee scheme which can overcome the reluctance of banks to extend credit to these firms. They deserve more of the same.

What about the extra costs of government support for all these alternatives to the volume housebuilders? I recommend that funding should come from the Government rapidly phasing out their multi-billion-pound Help to Buy subsidies. That scheme was justified in the wake of the financial crash, but its value is much more questionable now volume housebuilders are operating very profitably. Economists maintain that Help to Buy, by increasing demand more than supply, inflates house prices and boosts housebuilders' profits. Certainly, when the Government announced their £10 billion extension of the scheme, it put nearly £1 billion instantly on to the share prices of the big builders, reflecting a view in the City that these subsidies help builders more than buyers.

Even more important than money is land. Control of land use is, at least in theory, in the hands of the local planning authority. There is an urgent need to reassert the authority and creativity of the local planning system, restoring its status and latent value. A grossly underresourced planning department means delays that are intensely frustrating for everyone. Even so, although housebuilders blame planning delays for holding up development, it is also true that nearly all planning applications do eventually get approval, and there are thousands of consented sites where nothing much is happening—we await the report on this from Oliver Letwin MP.

Meanwhile, the Government are on the case in recognising the need to rebuild the capacity of planners. Recent support in allowing a 20% uplift in planning fees and providing some grant aid is more than welcome, but there is a very long way to go. Local leadership will be all important, not least through the new metro mayors and in the new combined authorities. Enforcement of good Building for Life design, often respecting local design codes, allocating sites for specific purposes,

insisting upon adequate standards for lifetime homes and using proper master planning is also necessary: a confident, determined local planning authority could do so much, if properly resourced.

At the same time, central government needs to be supportive of decision-making by local councils. The Secretary of State should use the current review of the National Planning Policy Framework to overhaul completely the specious "viability" test that is the subject of widespread abuse in evasion of requirements to provide affordable homes. The Greater London Authority is setting a fine example in offering a fast track through the planning process if there are no quibbles over providing the required quota of affordable homes.

Also on the land question, the Government's public sector land programme is pressing government departments and local authorities to dispose of unused sites for new homes. But I would go further, not simply flogging off these precious assets to the highest bidder—even when the housebuilder promises to include some affordable housing—but instead always giving first option to those providers who can add social value, for example in building tailor-made homes for older downsizers which will save NHS and social care funds and release family homes. For sites not owned by public bodies, a revival by local authorities and Homes England of—hopefully streamlined—compulsory purchase powers is needed, too, where blockages hold up much-needed new development.

Finally, to improve the performance of the major housebuilders—because, at least for the moment, we remain heavily reliant on their output—I am hopeful the Government will progress their interest in creating a new homes ombudsman. Along with a call for improved building control and better on-site supervision, a new homes ombudsman to handle the catalogue of complaints from consumers was the key recommendation from the APPG for Excellence in the Built Environment. But this ombudsman, if it is to stand up to the mighty housebuilders, will need sharp teeth and proper resources.

In conclusion, I appreciate that my various recommendations could mean lower profits for the plc housebuilders, unless they negotiate better prices when acquiring sites and/or step up profit productivity in the industry, but shareholders in these companies have been doing very well indeed over recent years. Share prices for the top eight housebuilders have increased by 127% over the past four years, compared to just 31% for the FT all-share index—four times better than the average. My sympathy for the housebuilders themselves is moderated by the knowledge that current profits have made the bosses of these companies extraordinarily rich. Note that the chief executive of Persimmon, a company selling about half its homes using Help to Buy subsidies, is receiving bonuses this year worth more than £100 million—one individual employee with bonuses of more than £100 million.

On other occasions, I have pointed to the abysmal consequences of the so-called welfare reforms, which have made it tougher for those on the lowest incomes to afford a decent home. While welcoming recent universal credit improvements, I am still fearful that without further changes of DWP policy, the tragic problem of homelessness will get worse. However, in

[LORD BEST]

relation to what I am delighted now to be able to call the Ministry of Housing, Communities and Local Government, the Government are espousing some excellent policies. The problem is that they are as yet underpowered and somewhat tentative. What is needed is for these to be backed wholeheartedly by HM Treasury and translated into a powerful package of intervention through financial, land-use and consumer protection actions that could make a really significant impact on quantity and quality of new homes. I hope that the Minister agrees. I beg to move.

11.52 am

Lord Hunt of Wirral (Con): My Lords, I first draw attention to my interests as set out in the register, in particular as a partner in the global commercial legal firm of DAC Beachcroft. We are grateful to the noble Lord, Lord Best, for enabling this vital issue to be discussed. I am delighted to see my noble friend in his place, and I know he has no illusions about the scale of the challenge we, as a nation, now face. In their housing White Paper just 11 months ago, the Government candidly acknowledged the housing market as “broken”.

Just as the First World War was breaking out, the American poet Robert Frost mused that home was:

“Something you somehow haven’t to deserve”.

Whatever would Frost have made of the UK housing market today? In just two decades, the ratio between the average cost of a home and average earnings approximately doubled, and the social and economic consequences are far-reaching. Housebuilding in the UK has been on a long-term downward trend for almost half a century now, despite a rising population. The decline has been reversed very recently, with more than 500,000 new homes in the past three years, but the challenge now is: how do we sustain that?

Undoubtedly, one of the damaging developments in recent times has been the stark decline of smaller housebuilders. About 60% of new homes are being built by just 10 companies. The situation is primarily and principally a consequence of the planning system itself so, as we seek greater diversity, I strongly welcome the home building fund, specifically designed to support small, independent builders. The Help to Buy equity loan scheme is also an excellent innovation. Builders are private, commercial companies, but they operate within a highly constrained and regulated market. They are often hampered by a proliferation of pre-development start conditions. It would be helpful for the Minister to set out what the Government are doing to help developers cut through this red tape.

Further, more can and should be done to release further public sector land for development. The Letwin review into build-out rates is welcome, but we all know one major source of delay to housebuilding is a lack of infrastructure. To pump prime the sustainable settlements we all want to see and to make them viable, we need substantial public investment in major, off-site infrastructure, not least public transport networks. Perhaps the Minister might like to explain what the Government are doing to ensure that essential infrastructure is built up in the right place, at the right time.

There are other market failures, too. In light of unfair leasehold practices, might the Minister give us an update on what progress the Government have made on tackling abuses of leasehold? There is some recent evidence of a decline in customer satisfaction with new-build homes. What are the Minister and his team doing to help bring everyone up to an acceptable standard of design?

The housing market will work effectively only if national and local government, the public and private sector, and large and small housebuilders work together in a positive, public-spirited partnership. I strongly welcome the constructive approach the Government are taking to the broken housing market, and I hope colleagues from around the House will seek to work with the major players in the housebuilding industry in that spirit of partnership to deliver the homes that our people need, and, in the spirit of the late, great Robert Frost, to deliver the homes our people deserve.

11.57 am

Lord McKenzie of Luton (Lab): My Lords, I congratulate the noble Lord Best, on securing this debate and the usual forensic manner in which he has introduced it.

It is fitting that we should focus on the performance of private sector housebuilders at a time when the headlines in the financial press, to which the noble Lord referred, are all about obscene bonus payments by way of share options to executives of Persimmon whose performance has benefited directly from the Government’s Help to Buy scheme—a performance where completions of the majors rose by 48% over the period, but profits by 10 times that rate of increase. That juxtaposition could not be more cruel when put against the desperate plight of the homeless and rough sleepers—whether in Windsor or Luton, Westminster or Lambeth.

We have a housing crisis in this country every bit as bad as the challenges facing the NHS, and one which requires a long-term sustained approach to tackle. Characterising this as fixing a broken housing market is inadequate because it implies that market mechanisms alone can produce the solutions. Not only do we have a growing homelessness and rough sleeping problem, we have sky-high property prices, making it impossible for many to rent or buy, with the dream of home ownership disappearing from the agenda. As the Shelter research, which was shared with us for this debate, sets out, a new-build house is out of reach for eight in 10 working, private-rented families across the UK.

We have had profound housing crises before. At the end of the Second World War, new build had all but ceased, extensive repairs were needed to address bomb damage, materials and labour were in short supply, and by 1950 government debt was over 200% of GDP. By comparison, today’s environment looks positively benign. Yet the Government of the day made the building of new homes—albeit that some were temporary prefabs—a priority. Between 1945 and 1955, government—first Labour and then Tory Governments—delivered 1 million council homes, including new towns such as Milton Keynes and Cumbernauld.

If one looks a little closer to the present, at 1969-70, 378,000 houses were completed in the UK. The UK numbers for 2016-17 were 178,000—about half. In 1969-70, about half the completions were clocked up by private enterprise, a few by housing associations, and about half by local authorities. The provision of substantial social housing is the one feature over this period that enabled overall housing numbers to maintain levels needed to meet demand. The curtailment of local authority provision at the end of the 1970s was never compensated for by placing the onus on housing associations.

So much for the past—what is to be done in future to address the housing crisis? Four minutes does not allow time to critique the entirety of the February 2017 *Fixing Our Broken Housing Market* White Paper. Nor does it help just to trot out the line that we need to build more houses. Of course we do, but the issue is how and, particularly today, how far we can place reliance on the major housebuilders to play a more significant role. How can we push back against the growing market concentration and prices for land, which edge ever upwards? Certainly, a greater role for local authorities and housing associations should be a catalyst for supporting new and smaller firms into the housebuilding sector.

As for major housebuilders, the analysis provided by Shelter seems to pinpoint the particular problem: they have a speculative business model whereby they buy the land and build homes without knowing who they will sell to and at what prices. This competition for land prices pushes up prices, squeezes out smaller builders and pushes down on development costs and infrastructure provision, affecting the quality of housing provision. If we are to get public benefit from the activities of private sector builders, Shelter prescribes the need for stronger powers for public bodies to masterplan, and powers for development corporations to assemble land and act as master developers. We agree. As the noble Lord, Lord Best, said, what is certain is that a national strategy that relies on the private market sector as currently constituted will not be able to achieve the sustained uplift in housebuilding that the country so desperately needs.

12.01 pm

Lord Stunell (LD): My Lords, I am delighted to contribute to this debate. I thank the noble Lord, Lord Best, for his excellent introduction to it and am in full agreement with his analysis and conclusions. We need a lot more homes—we need them quickly and at a price that people can afford—and we are far from getting that at the moment. All the political parties say that more housing is needed, and there is really just a debate about how they should be provided. The Conservatives have invested a lot in increasing demand through the Help to Buy scheme, and the consequence has been an increase in profits for developers and a rise in prices. I believe, and I think my Liberal Democrat colleagues believe, that there should be much more emphasis on increasing supply by investing in diverse providers and tenures and thus moving towards stabilising prices and improving affordability.

The big companies have something to answer for, because they are the ones that get the big profits, and the noble Lord, Lord Best, has highlighted Persimmon and the chairman's £104 million bonus. The big companies go for slower production on big sites—and I have cited before the Ebbsfleet development, where 15,000 permissions were granted seven years ago and only 800 houses have been built so far. There is the question of quality as well: 93% of new-build customers reported faults to their homes. In contrast to that, with smaller developers you get multiple starts on many small sites and quicker build, which in turn can lead to stable prices and modest land banking. All those things are surely desirable.

The Chancellor's Budget makes some progress but, even on the most optimistic reading of his arithmetic, it would raise production only to 200,000 a year, a long way short of 300,000. What needs to happen? First, we need to lift council spending limits. It is surely silly that they are free to borrow at will to buy cinemas, hotels and offices but cannot do so for homes. The sooner that is put right the better. They should be permitted, indeed encouraged, to build for rent—we used to call them council houses. There should be funding for housing associations as well. We need to encourage councils to build to sell on public land at affordable prices with 100% recycling of that money into housing. We need to use public investment and procurement to provide a secure pipeline of work for the industry, which can bring stability to employment and enable the skills, growth and development that are also urgently needed. We can use public investment and procurement to build those homes so that they are green and of a high quality. There are opportunities for innovation and off-site building that can come only from that kind of consolidated, strategic approach.

We need to shape planning and building regulations to deliver a clean environment and green homes. There is a role for the big 10 construction companies, but they must use their scale to innovate, to build off-site, to build prefabricated and to use modern methods of construction. They must use their weight to support training—we need a doubling of the training provision in the construction industry—and they must use their pattern books and repetitive design to drive quality up, not down. They must also stop bullying planners over viability tests, stop bullying SMEs over supplies and discounts and stop treating subcontractors with disdain over retention and payments.

I ask the Minister to take away from this debate the urgent need for the new Housing Minister to get a grip of the problem, break the Treasury's hold on the purse strings and get building homes again.

12.06 pm

Lord Green of Deddington (CB): My Lords, my purpose in speaking in this debate is to point out that the supply of housing is only half the story, albeit admirably described by my noble friend Lord Best. The other half is of course demand. A major factor in demand is—noble Lords may have guessed—immigration. The Government are in denial on that central issue of this most important debate.

[LORD GREEN OF DEDDINGTON]

The Secretary of State in the other place said on 7 February last year, in reply to a question:

“Two thirds of housing demand has nothing to do with immigration; it is to do with natural population growth”.—[*Official Report, Commons, 7/2/17; col. 248.*]

That is simply untrue; indeed, it is even misleading. The starting point is DCLG’s most recent principal projection for England over the 25-year period to 2039, which shows an average increase of 210,000 households a year. Of this, it says that 63% will be down to “natural change”—note that term—and 37% will be due to future net migration. Note the word “future”. This was presumably the basis of the Secretary of State’s statement, but I wonder whether he really understands the basis on which these numbers were drawn up. For a start, immigration has been running at 40,000 or 50,000 higher than the Government’s assumption. Indeed, it has been close to the high-migration scenario, which would mean, if it came about, that we would have to build a new home every five minutes, day and night, throughout the period, just for new migrants.

The really misleading aspect, however, is that DCLG excluded the impact of previous migration on future demand. Instead, it buried it in “natural change”, attributing it to the existing population, rather than addressing it separately. Separate examination would of course boost the figure and the proportion substantially, especially as, under the population projections on the high-migration scenario—which we are close to—85% of our future population will be due to immigration.

If anyone should doubt that the impact of immigration on housing demand has been played down, they could take a quick look at the past. ONS data from 2005 to 2014 show that of the additional households created in England in that 10 years, the proportion of foreign-born heads of household was 90%. I trust it is now obvious to noble Lords that claims that two-thirds of housing demand has nothing to do with immigration are simply ludicrous.

The only relatively good news in this sad saga is that the ONS is now to take over the preparation of household projections. Furthermore, we have a new and highly competent Minister of State in the renamed department. I hope he will insist on a proper analysis of the true impact of immigration on future housing demand and recognise, in doing so, that demand is a major aspect of the entire housing crisis. We should get this right and we should get the sources of it right.

12.10 pm

The Lord Bishop of Newcastle: My Lords, it may be no coincidence of timing that as we debate the performance of the major housebuilders, every day this week in the financial press we have seen the trading results of many of these major companies, the latest being Barratt this morning, the country’s largest housebuilder. There is a consistent picture of extraordinarily high levels of profit and cash being returned to shareholders. However, my first point is that past history tells us this will not last. Housebuilding is a highly cyclical industry and when the next recession comes, new house sales will plummet, as they did in

2003 and 2008. Housebuilders, especially the smaller ones, will fail, and there will be high unemployment in the building trades. Indeed, in 2009, Barratt, which is doing so well according to the press this morning, lost over half a billion pounds and resumed paying a dividend only in 2013. This high level of risk is one of the reasons why so many smaller firms have disappeared and we now have a dysfunctional housebuilding sector that, as the noble Lord, Lord Best, pointed out, is alarmingly oligopolistic.

Government interventions could help, such as guaranteeing bank loans to small housebuilding firms and setting a requirement for local authorities to reserve a proportion of their planning permission grants for land owned or optioned to small builders. Such interventions are worth making but we delude ourselves if we think that, important as it is, sorting out the housebuilding industry is the answer to all our problems. Therefore, my second point is that we already have some outstanding analysis of the complexity and dysfunctionality of the housing market, and, more importantly, we have some answers in the excellent report of the Economic Affairs Committee, *Building More Homes*, which we debated in this House in March last year. The truth is that our housing crisis cannot be solved by the private sector alone.

In my own area, there are over 22,000 households on council housing lists in the Tyne and Wear region and over 8,000 in the county of Northumberland. This represents tens of thousands of people, including children, without a home that feels like a home. The report highlighted that this country can create enough new homes only when local authorities get back into the business of building them. Key to this is removing the restrictions on local authority financing and borrowing to build homes, as has been mentioned by noble Lords. Therefore, I join them in asking the noble Lord, Lord Bourne, to tell us whether any progress is being made with the Treasury in this area.

My third and last point is that this crisis is not, at heart, about buildings; it is about people. It is about not just housing supply and quantity but, as the noble Lord, Lord Best, indicated, quality. If we are truly to solve the crisis, we need to build communities where people can put down roots and thrive. All too often, our housing developments sit at two ends of a spectrum. At one end is new social or affordable housing, usually very small units—too small for families—that are cramped, with very limited space, and sometimes shoddily built. At the other end sit developments of luxury homes priced beyond the reach of local households. We are witnessing the hollowing out of communities along the fault lines of social class and income. We need to preserve the diversity of our communities, which is such a cherished feature of this nation.

I am delighted that the noble Lord, Lord Best, secured this debate, because it is about something far more important than just the performance of our housebuilding companies. It is about people, and it is on our watch. I hope that we will find the personal determination and that we will support and encourage the Government to work towards honouring the human dignity of every man, woman and child in this country by creating the homes and communities that our children and grandchildren deserve.

12.15 pm

Lord True (Con): My Lords, I am a member of a London borough and a vice-president of the LGA.

We need more housing, but it must be quality housing, built with consent and built to last, not breeze-block office conversions without planning permission—a policy welcomed in some places but disastrous in others. I thank my noble friend for his willingness to address that issue, which I raised, and for the progress made with regulations. But greedy operators are now buying small, two-storey homes and converting them to cramped HMOs. On 19 December my borough put forward ideas to prevent such abuse of tenants, and I hope for a positive response from the department.

Penal stamp duty has eliminated small starter homes in many London suburbs. The problem goes right up the scale. People add boxes rather than pay the taxman to move. Labour mobility and housing variety suffer. More tax cuts are needed, on top of the welcome one we had.

I detest the stench of greed in that Persimmon bonus scheme, but I will not join a lynch mob attacking housebuilders, and I will certainly not line up with Corbynites or their fellow-travellers who reject profit. I was born in a house built for profit, I rented a flat built for profit, our first home was built for profit and we live in a house built for profit. Yes, most of these were built by small entrepreneurs, of which we once had far more and need again. Let us hope the welcome home building fund will help.

We should be grateful for successful housebuilders of any size. Of course, I would like faster turnover of land use, but do not always blame them or councils for that. Look at public bodies, the masters of most of Britain's brown land. They are a disgrace. To create a big quango to chase other quangos is not enough. I would set councils loose on those bodies—let them challenge and build where public dinosaurs will not. Housing associations, which are always shouting the odds, need to do better, too. *Inside Housing's* June survey showed the same as our Library brief: a fall in their completions last year. It was frankly pathetic to read housing association bosses blaming Brexit for not doing their job.

Our green suburbs define Britain, unlike the bleak tenements round many cities elsewhere. We must not destroy their character to—yes—meet levels of immigration the public reject or household formation predictions some consider unlikely. Some housing targets are absurd. The draft London plan proposes 6,300 small-site developments in Richmond in a decade. Back garden protection would go, with a presumption in favour of infill development. We know the environmental and human importance of green space; Sadiq Khan proposes its wholesale elimination. Concrete jungles in place of green suburbs and gardens—no, thank you. Internal space standards that are maxima, not minima—no, thank you. Destruction of local character, for ever.

New homes also need proper infrastructure: employment, surgeries and schools. These things are best achieved with local authority involvement. For example,

we have a striking partnership with Lidl to build a primary school above a new supermarket. That was achieved by discussion in the planning system.

I have always found housebuilders responsive. I praise St James for the provision of a new community hall and education facility in a 300-plus development in Twickenham. It is a mistake to focus on numbers alone. Liveable communities are made not in City Hall or Whitehall but by creative partnerships, with local authorities and housebuilders working together.

12.20 pm

Baroness Thornhill (LD): My Lords, I agree with much, although not all, of what has been said. It is clear to me from my experience as a former deputy chair of the LGA and the elected mayor of Watford that there is not only a housing crisis but, in particular, a massive shortage of social and affordable homes, which the current system is clearly failing to fix. In my four minutes I want to touch on one aspect of the planning process which is totally undermining local authorities' ability to provide those much-needed homes and which has already been referred to by the noble Lord, Lord Best—the viability assessment.

In 2012, the National Planning Policy Framework, for the first time, made the viability of a development proposal a material planning consideration. That means that, if the projected profit on a scheme is less than 20%, developers can begin a process of haggling with planning officers to reduce the level of affordable housing and other community benefits, such as infrastructure, that councils can require through their much thought-out policies. This was meant to be used as a sensible exception to ensure that we did not end up with good housing sites going undeveloped because it was uneconomic to build on them, but instead it has become the rule.

In Watford, year on year since 2012, the number of social and affordable homes provided through Section 106 has declined by at least 50%. Our single example is backed up by more formal research by Shelter. It studied 11 authorities covering eight cities and found that new housing sites provided only 7% of affordable housing, when the authorities' combined figures should have yielded 28%. The Government's own figures show that 40,000 social homes were built for social rent in 2010, but in 2016-17 that number had reduced to a mere 5,500.

Local authorities have had to cope with the many and varied ways in which developers present their figures and use viability to evade the obligation to provide affordable homes. They have had to "tool up" to challenge the developers' figures on almost every major application. It has become an expensive battle, involving the employment of viability experts on both sides. It is a grubby business that contributes to a general negativity in the relationship between planners and developers, and, perhaps more importantly, between the council and the public.

Councillors at planning committees feel frustrated. Their set policies to meet their local needs are being flouted purely because of this national policy. In Watford, we have tried to find ways to work with this process—for example, by designing clawback agreements should

[BARONESS THORNHILL]

the viability improve over the life of the build—but this is whistling in the wind compared to the current need.

There is a growing consensus, evidenced by the recent letter to the Secretary of State from the LGA, the CPRE, the TCPA and others, that the system for assessing viability is weighted in favour of the applicant, leading to inflated land prices being paid at the expense of infrastructure, affordable housing and, as has also been mentioned, design quality. This undermines public confidence in the planning system.

The Government have recently closed their consultation *Planning for the Right Homes in the Right Places*, of which viability assessments formed a part. My and many other councils, along with the LGA and other esteemed bodies, have responded robustly. I hope that the Government will take on board those responses and recommendations, close this loophole and bring greater consistency and transparency to the process. It is becoming clear that this is a counterproductive and damaging measure, resulting in the loss of many thousands of homes for people stuck in temporary accommodation for far longer than I ever thought we would see on my watch, and with the only winners being landowners and housebuilders, who, as has already been pointed out, are reporting record profits.

12.25 pm

Baroness Brown of Cambridge (CB): My Lords, I thank my noble friend Lord Best for securing this important debate and for his excellent introduction. I want to talk not about the number of homes that we need but rather the quality of homes that we need, and to focus on whether we are building homes that are fit for the future—homes that, as we have heard, our people deserve. I declare my interests as vice-chair of the Committee on Climate Change and chair of the adaptation sub-committee.

I warmly welcome our Prime Minister's focus on housebuilding and her strong message about the importance of homes in the renaming of the DCLG as the Ministry of Housing, Communities and Local Government. But carbon dioxide emissions from buildings make up a major and intractable part of our carbon budgets, so it would seem madness to build these essential new homes to building standards that mean they will need retrofitting in the near future if we are to meet our carbon dioxide reduction targets. In addition, we know that the climate is changing. We must expect, on average, higher summer peak temperatures and longer periods of high temperatures, leading to a growth in the number of heat-related deaths, especially among the most vulnerable groups, unless we have homes that can be kept cool and properly ventilated.

The studies reviewed by the Committee on Climate Change indicate that the average cost of delivering the proposed—and now withdrawn—zero-carbon homes standard would be an average of between £3,000 and £10,000 per house if it were to be done when the house is being built, and £10,000 to £25,000 as a later retrofit. Indeed, such retrofits would probably never achieve the same low level of emissions. Do we really intend to leave these retrofit costs—approximately three times

the cost of building the house well in the first place—to our children? Is this another example of intergenerational unfairness?

Would the extra cost and challenge of higher building standards really be too much for our housebuilders? I do not think so. Let us look at some numbers, which we have heard a bit about already. In 2016-17, the top 10 housebuilders built almost 80,000 new homes, about 45% of the total new houses. They made profits of £4.53 billion on a turnover of £22 billion and paid their chief executives an average total pay of £3.1 million. That excludes the more than £100 million share bonus for the CEO of Persimmon, because it rather distorts the figures. If we take the average figure of £6,500 per house as the cost of meeting a zero-carbon homes standard—the halfway point between £3,000 and £10,000—building all these homes to this standard would cost an extra £0.51 billion, which is only 11% of the £4.53 billion profit. If housebuilders had absorbed all these costs, profits would still have come in at a very healthy £4 billion. As we have heard, Persimmon is the second-largest housebuilder in the top-10 list. Yesterday, the *Times* reported that it built 16,000 homes in the last year and allocated bonuses to its 140 top managers totalling £800 million. The extra cost of building all these homes to a zero-carbon standard would have been about £100 million. Would not a reduction in that impressive bonus pot to just £700 million still have allowed a motivating enough reward for a very good year for the company?

I have three requests of the Minister to help us move swiftly to future-proof our new housing stock. First, we should introduce as a matter of urgency a strong zero-carbon homes standard, and then ensure that the standard is actively enforced. The figures show that the industry can afford to do this. Secondly, within two years we should make Help to Buy available only on accredited low-carbon homes, thus making sure that the Government's significant investment is safe in homes that will retain and increase their value in the future without the need for certain upgrading. Finally, we should allow housing associations that build low-carbon homes to finance the additional cost by taking a share of the savings that tenants will see in their heating bills—perhaps half the savings for seven years or whatever is necessary. I understand that this would currently be illegal, as housing associations cannot charge differential rents in this way.

12.30 pm

Lord Naseby (Con): My Lords, in May 1968 I was elected to the London Borough of Islington and immediately given the promotion to chairman of the housing committee and de facto leader. Roughly speaking, 300,000 homes were built and a significant proportion of them—well over 100,000—were council houses. They were not council houses that anyone in your Lordships' House would want to live in, but they were houses. At that time there were several thousand Victorian blocks, with a water tap on the first or second floor, external loos and so on. They were not happy homes.

In 1974, I was elected to Northampton South with a majority of 179. The great joy was that it was a third generation new town. Every one of the third generation

new towns, of which there were six, has been successful. They provided volume housing, mixed tenancies and good social community provision and provided an opportunity for the development corporation, where necessary, to undertake compulsory purchase, although it was clear when the negotiations took place that the land was forthcoming.

We face today a similar problem, with 300,000, or thereabouts, houses needed. It is no good chastising the major housebuilders for not doing ideally what the commentators believe they should be doing. We need a successful private sector building industry. Frankly, it provides the only people building houses in this country. It is no good the Labour Party criticising Her Majesty's Government because of what happened to council housing when they came to power. I well remember 1997—I lost my seat—but what happened after 10 years of Labour Government? Let us assume it took them four or five years to get going and look at what happened in 2003. How many council houses were completed in 2003? Precisely 180. That reflects the priority that the Labour Government put on council housing, so I do not want to hear any complaints about the current Government and what they are trying to do.

I say to my noble friend on the Front Bench that it is a good start to have three eco towns, but it is not adequate. There was an article in the *Daily Telegraph* last week listing five further places where we can have new houses—Huntingdon, Winchester, Rugby, Nuneaton and Folkestone—all within an hour of getting here. I congratulate my noble friend on removing stamp duty for over 80% of first-time buyers. It is very good—well done. It was voted against by the Labour Party. Investing £44 million to deliver the 300,000 homes we need is a very good start, as is helping local authorities to do so as well.

I thank the noble Lord, Lord Best, for introducing this debate but the last thing I want to see is an ombudsman controlling it one way or the other.

12.34 pm

Lord Whitty (Lab): My Lords, while I agree with the noble Lord, Lord Naseby, that the crisis did not start with this Government, it is nevertheless one that all parties and all elements within the housing and construction industry now recognise is enormous. On present policies, it will not be resolved within the next 10 years let alone in the next few years of the period of this Government.

We could have made a start on it. This week's reshuffle was an opportunity to put in place the cohesion of government policies that were referred to by the noble Lord, Lord Best, along with the need for a longer-term strategy, referred to by my noble friend Lord McKenzie. Instead, we have had a marginal change in the name of the department and the removal—or promotion; good for him—of a Minister who was beginning to get an intelligent grip on the matter, but like every housing Minister over the past 20 years, he has been rapidly moved on.

We need a positive and continuous focus by the totality of government on this central social crisis. There are at least five different areas of policy which

overlap here. We have a clear problem as regards the role of local authorities. Whether it is due to an ideological opposition to council housing or Treasury insistence on absurd and illogical caps on borrowing for housing, the fact is that we have to change the role of local authorities. We will not reach the targets without a major contribution from local authority housing to build council houses. Yes, it should be done within the context of mixed tenure in wider developments, but without a big step change in council housebuilding, we will not reach the targets.

There is also a concomitant failure in regional policy. One of the reasons there is so much pressure on housing in some parts of the country, particularly in the south-east, is a failure of regional policy as a whole. There is a failure of labour market policy as well. We do not have enough skilled workers and therefore have to rely to an excessive degree on migrant labour in many areas. I have to say that many of the larger companies in the housebuilding sector have a particular responsibility for this because they have a particular duty given the structure of the industry. As a result of all this, there is also a failure in social policy. The right reverend Prelate referred to the social division which the differences in housing provision leads to. It has directly distorted social security reform in that the escalation of rents and housing costs generally has led to a huge rise in housing benefit payments which is distorting the successful achievements of universal credit reform of the social security system. There has also been a failure of competition policy because in this as in other areas, we are failing to deal with the oligopoly that is made up of a few very large, powerful and exploitative companies.

When we look at Whitehall, the policies are all over the place. Planning and housing is admittedly in the Ministry for Housing, Communities and Local Government, but housing benefit, which is by far the largest expenditure by Government, is in DWP. Construction sponsorship is in BEIS, as is anti-trust policy, and finance for housing is dealt with in minute detail by mandarins in the Treasury. If we are genuinely to tackle the housing crisis, we need to bring these elements together in one powerful Cabinet-level ministry and Minister. For example, I have long argued that the inclusion of the housing benefit element in universal credit was a mistake. It may not be possible to unravel it, but it is making the delivery of universal credit more difficult and it is compounding problems in the housing sector. Actually, we need to provide more money on the supply side and less on the demand side. Whoever the Minister is, there needs to be a new start here. I believe that we need a single ministry of housing with a high-powered Minister who is close to the Prime Minister and changes to be made in Whitehall in order to tackle all of these issues together.

In passing, I would also say that in relation to the structure of this industry, the dominance of a few major companies and the almost total exclusion of small builders in big developments across many parts of the country, we need a CMA inquiry. So far, we have failed in this area. While our competition policy on cartels and monopolies is pretty good, it has failed utterly to deal with oligopoly in sectors like this.

12.39 pm

Lord Taverne (LD): My Lords, this is the first occasion that I have taken part in a debate on housing, which, with the NHS, is one of the two most serious social problems we face. They are both in deep crisis. First, I must declare an interest. One of my sons-in-law is the CEO of a company called Pocket—a private sector developer of intermediate, relatively cheap housing for sale in London, backed by both the Mayor of London and the HCA. It is not a major construction company, but, having won several awards, it is expanding fast.

The industry faces a demographic time bomb. Its workforce is ageing, with retirements greatly exceeding new recruits, who take some three years to be trained to the necessary quality. To meet government plans—building 1 million or more houses in a few years—the industry must expand by some 35%. Well, in the third quarter of last year it contracted by 0.5% and is still contracting. It has become heavily dependent on 200,000 EU immigrant workers, not only for the actual building of houses and factories, but for the pre-manufactured modules, use of which the Farmer review recommends. Some 92% of the workforce building the modular homes that Pocket specialises in are EU immigrants.

But now we face the prospect of Brexit. Many EU workers are going home, not only because of uncertainty about their longer-term future rights of residence, but because they no longer feel welcome. There are numerous reports of Poles, Lithuanians, Romanians, Bulgarians and their families who are being abused in public and told to go home if they speak in their own language. We are no longer a tolerant country.

What Brexit risks is what the industry tells us it needs: common recognition of EU standards and qualifications, common legal systems for contracts, and tariff-free flow of imports from the 27—in fact, frictionless trade with the EU. None of these will survive if we are not in the customs union and single market, yet the Government are adamant that we must leave both.

The implication of the excellent and very important House of Lords Committee report last December, *Brexit: Deal or No Deal*, is clear, even if not explicit: the only way to achieve the Government's housing aims, and to promote prosperity of large sections of our industries, to preserve an open Irish border and, indeed, generally to avoid the impoverishment of the British people, is to reverse what almost everyone outside Britain regards as our extraordinary national act of self-harm—the decision to leave the EU. The people should have the final say now the facts of what Brexit means are becoming clear, to decide, if they wish, not to travel one more miserable inch along that path to national disaster—in fact, to stop Brexit.

12.43 pm

Lord Borwick (Con): My Lords, I declare my interests as noted in the register—I am a property developer of housing sites. I am a great fan of the noble Lord, Lord Best, and his pioneering work on accessibility of housing. I am a shareholder and director in mainly residential developments in Bicester, Oxfordshire, Sussex and Scotland.

Our development in Bicester is of 2,400 houses in total, which includes 30% social housing, or 720. Planning permission was completed seven years after we purchased the farm. Despite the help of the local council, which supported the application, and virtually no objections and no requirement for an appeal, the cost of the process was about £4 million in fees, and it was about seven years after we started that we were able to commence building. Our original plan was to sell “oven ready” sites, but the regulations insist that although we have agreed a building code of 200 pages with the council, every one of our purchasers has had to get approval that their plans meet that code. This has taken a further year.

Builders are often accused of land banking, which may be defined as holding non-urban sites after planning permission is granted to get the increase in value over time. The first mistake is to confuse a “resolution to approve” made by the planning committee dutifully raising their hands with “implementable planning permission”. That could be several years later. Furthermore, when building a house, you must do the special construction tasks such as roofing or electrics consecutively rather than concurrently. You cannot build 200 houses simultaneously. A site with planning permission for immediate work is so valuable that public companies do not sit on assets worth millions of pounds for a period of years. The big housebuilders very nearly went bust in the recession—a point made so well by the right reverend Prelate the Bishop of Newcastle—so they are very careful not to waste money now. They are measured by the stock market on return on capital employed. It is planning system inflexibility, and not land banking, that slows housebuilding.

Noble Lords will know that we have a “plan-led” system. We have local plans in each area for a five-year land supply. When this system was first explained to me, I was told that a developer had to prove “housing need”. I said, “That's easy: we'll sell forward some houses”. My friendly adviser said, “No, Jamie, you've just proved housing demand; that is different from housing need. Housing demand is when the customer says she wants a house; housing need is when the Government says she wants one”.

We have already agreed on all sides of this place at least that central planning of tractor production on a five-year plan is a stupid communist system. So why do we think that it is right for housing? There must be some controls, certainly, but we should not pretend that they will work perfectly. I know of a local authority that is planning for exactly 1,090 houses to be built in the year 2031, and it is working on 2036. Such a precise number is highly unlikely to be right, and calculating it is a total waste of time and taxpayers' money. I do not know how many noble Lords are making such detailed plans for their own life in 2036. We did not plan for the housing shortage, so the fundamental question for my noble friend the Minister is: why do we think that a central plan is the best way of solving this shortage? I know that this Government have made great strides in simplification of the rules, and I want to give them the credit for that, but there is so much more to do in making them better in opening the system to small builders and increasing competition.

The housing industry is subject to both punitive levels of taxation and generous subsidies. When we want to encourage an industry, we offer tax breaks, but we do the opposite in housing despite all agreeing that we want more houses to be built. Housebuilders pay corporation tax, stamp duty and planning fees. Some 30% to 40% of their output is nationalised as affordable homes at cost. Under Section 106 agreements, they will pay for new schools, new roads, new public art and often a community infrastructure levy. They have to provide expensive bonds that they will perform their obligations, a factor which discourages small competitors. To the person writing the cheques, these are all taxes. At the same time, their customers are given the generous Help to Buy subsidy. It is all too complex and expensive to make it an efficient industry.

12.48 pm

Baroness Janke (LD): My Lords, I want first to give a few statistics about my home city of Bristol. There are 979 homeless people; in 2017, there were 86 rough sleepers, as against eight in 2010; 347 families were recorded as homeless, with 3,000 at risk, and Age UK is supporting 120 elderly people who could not stay in their homes otherwise. People here may not know that house prices and rents in Bristol are extremely high—the highest outside London. Average house prices are 10 times average income; typical rents are 40% of average income. In my city, £6.1 million is spent by the council on homelessness. How must it seem to those people whom we see on our streets every day when they hear of the Persimmon boss, referred to by the noble Lord, Lord Best, who is getting a bonus of £110 million, while Persimmon made a 30% profit in the first part of 2017?

My noble friend Lady Thornhill mentioned the viability loop-hole. Bristol lost 200 affordable homes in a year as a result of the viability loop-hole. As a result, land prices, and so house prices, continue to be driven up. One of the worst things about this loop-hole is that it is very often kept secret: only a few local councils make these viability assessments public, so the public do not realise why the value of housing, the cost, is going up so much and how much developers are profiting out of the public purse, very often.

Affordable homes are no longer affordable in my city. We need social housing, we need high availability of social housing and I think there is a wide consensus across the board—including the House of Lords Economic Affairs Committee, Shelter and even the Centre for Regional Economic and Social Research—that local councils need to be involved much more if we are to achieve the number of homes that we clearly need.

As a former leader of Bristol, I spent quite a lot of time in the Core Cities organisation with other leaders, speaking strongly for government intervention, development and investment in other parts of the country. I very much welcome the northern powerhouse. It is true that when I speak to my colleagues here, while people cannot afford homes in Bristol and their availability is so scarce, there are very many empty houses and houses that cannot be sold in the rest of the country. It seems to me that the whole issue of

infrastructure needs to be looked at, presumably through the industrial strategy. There is a huge difference between London and the rest of the country.

We heard from the noble Lord, Lord Best, about powers for local authorities. I certainly support those. The noble Lord, Lord Borwick, said that planning authorities are inefficient. I point out the level of cuts in local government in recent years and the fact that planning departments are skeletons of what they used to be. When I first went into local government, local authorities had their own architects and were proud of the quality housing that they produced. Local authorities need powers to borrow. We have heard of the ridiculous situation whereby they can borrow to build leisure centres or to buy hotels but cannot borrow enough to build housing. They need powers over the use of public land in order to introduce priorities for social use as well as powers to levy penalties on land banks and uncompleted sites. They need stronger powers for compulsory purchase. Who in local government has not been frustrated by the lack of teeth local authorities have on compulsory purchase?

As the noble Lord, Lord Best, said, such measures would mean less profit for the developers, but they would mean hope for so many people that they will not be struggling to afford a home for years to come while a small number of developers scoop up massive profits at the expense of future generations.

12.53 pm

Lord Turnbull (CB): My Lords, I declare an interest as chair of a study by some housing associations into the future of their sector. I do not need to repeat the lengthy charge-sheet against the major housebuilders, which my noble friend Lord Best and others have set out already, I just want to return to one point, the terms for leasehold houses. These do not meet the principles of treating customers fairly now being enforced in financial services. The Government have set out proposals to outlaw these, but I ask the Minister what the Government are going to do to enforce redress for leaseholds already sold on unfair terms. Redress was provided for PPI: the detriment in these cases may be very much greater.

However, in a housing debate we should remember the adage that those who live in glass houses should not throw stones. Many of the problems in the housing sector have been shaped by government policy. Whatever their faults, private housebuilders are building around 130,000 units per annum, getting on towards the pre-2008 peak. So the collapse in total housebuilding is principally the result of shutting down all social housebuilding, with the exception of 20,000 to 30,000 dwellings built by housing associations. In 1978 local authorities built 75,000 dwellings. This fell to close to zero around the turn of the century and has now recovered to the heady heights of about 2,000. Owner-occupation has fallen from 69% to 62%. It will not recover quickly, however hard the Government try to ramp it up. New regulations rightly require banks to be much more prudent in their mortgage lending. Salaries of young people entering the workforce are growing slowly and they will emerge from higher education with a liability to pay 9% of their earnings over £25,000. Saving for a deposit while they pay huge rents is virtually impossible.

[LORD TURNBULL]

A greater priority than the performance of housebuilders, in my view, is to transform the rental sector. With social housebuilding largely closed down, it is the private rental sector which is taking the strain. Since 2000, private renting has doubled as a proportion of all dwellings from 10% to 20%. There are now 2.8 million more privately rented properties but this has not come about by positive choice—quite the opposite. Owner-occupation has become more expensive and less affordable, and social housing has contracted. Nor has it come about because the economics are more favourable; again, it is precisely the opposite. Buying with a mortgage took on average around 20% of weekly income, including benefits, whereas private rents absorbed 42%. The most acute problems are suffered by the poorest families. Their number in temporary accommodation, where housing standards are frankly a national disgrace, is growing. Many families are being evicted even though they are not in rent arrears, simply because landlords are refusing to renew tenancies.

Putting an “H” back into the name of the department will not be enough. We need a renewed effort to expand affordable properties for rent and, as others have noted, this will almost certainly mean relaxing the constraints on housing revenue accounts to bring them into line with other forms of borrowing. We also need to be honest with ourselves about the green belt. Much of it is essential to the beauty of our landscape but a good deal of it is not. We should remember that nearly all of us live in houses that are on what were once fields. Why should this change in land use be frozen where it was in 1948? While a debate criticising major housebuilders may give us a warm glow of righteousness, we should not let this blind us to the even-greater problems elsewhere in the housing market.

12.57 pm

Lord Horam (Con): My Lords, it is indeed shocking that three directors of Persimmon should trouser £250 million in bonuses and salaries in one year. I wonder what they will do with all that money—buy a bigger house? It should also not go without mention that Persimmon—according to the information that I have from people who know a great deal more about the housing it provides than I do—is among the worst in scrimping and scraping and not delivering on the promises it makes, and that it provides quite a lot of poor-quality housing. As has been rightly said, that is simply a symptom—a pimple, if you like, on the bad face of a broken housing market. As my noble friend Lord Hunt of Wirral said in his earlier remarks, the real issue is affordability. The fact is that the ratio between what a person has to pay for a house and their earnings has doubled in the last two decades. That is the real heart of the problem.

The comprehensive speech of the noble Lord, Lord Best, which we all admired, is also brilliantly timed, because this week we have a newly titled department. I realise that a new title is merely a small gesture but it indicates that the Prime Minister, who has already said that housing is the number one priority, takes it seriously. We have a new Housing Minister, who I profoundly hope will last rather longer than the previous two

Housing Ministers, who lasted about six months in each case. I hope he will last the full length of this Parliament, however long that may be. We also have a Secretary of State who says all the right things. But again, as the noble Lord, Lord Best, said in his remarks, it is not enough to do only that. All of us have been saying the right things in these debates but we and the Government have actually to deliver well over the next four years that we hope this Parliament will last.

Perhaps I may single out just a couple of things that should be done. I agree that housing associations are now the main provider of social housing and that a huge effort therefore has to go into helping them provide more. I agree with my noble friend Lord True’s remarks about that, and they have not done as well as I had hoped they would. I was once chairman of a housing association and I place great faith in them. They have done reasonably well but, none the less, they could do a lot better. I would make an analogy with Joe Root, the test cricket captain who makes very attractive 50s, 60s and 70s when what we need is centuries—and good centuries, and double centuries from time to time. They need to step up their game in the way that he needs to do if he is to make a major contribution to retaining some future Ashes.

Secondly, as Shelter has repeatedly pointed out in some excellent pamphlets, land is at the heart of this. If land is sold at the highest price, it will inevitably be followed by low quality and compression further down the chain. I therefore think we should stop selling public land for the highest price. That is something that the Government should look into.

As we all know, none of this is rocket science—it is common sense. It has been done in other countries such as Germany and France, and it was done in this country when Harold Macmillan was Minister of Housing. I pray, for young people in particular, that we do more of it in the next four years.

1.01 pm

Baroness Maddock (LD): My Lords, I am very grateful to the noble Lord, Lord Best, for enabling us to debate this very important issue today. I declare an interest as a vice-president of the Local Government Association, a president of the National Home Improvement Council and a vice-president of National Energy Action, which is a fuel poverty charity. I am also grateful for briefings from the Federation of Master Builders, Shelter and, of course, the House of Lords Library.

In preparing for our debate today, the issue that stood out to me most, and shocked me most, was our inability to increase the number of new-build homes in the past five years when, at the same time, the major housebuilding firms saw their profits increase by nearly 500%. The situation is obviously very satisfactory for the housebuilding companies and so there is little incentive for them to do anything other than trade as they have been doing for some time now. But the market is clearly not producing the quantity of new homes we need, the type of homes we need or the quality we need. We have heard about that today. We have also heard that the rise of the big companies has often been at the expense of many of our small builders.

As other noble Lords have outlined, the speculative development model drives down affordable housing and infrastructure provision and results in slow build-out rates which keep up unit prices. In addition, it is an incentive for high prices to be paid for land, resulting in high-density housing, high unit prices and few affordable units. Other noble Lords have mentioned the issue of affordable units on sites, and I am grateful to a colleague of many years ago who now lives in Rugby who has provided me with a couple of instances of what is happening there. The Rugby Gateway site has 1,000 houses planned with only 10% of them being affordable. On the Rugby radio mast site, 6,000 houses are planned with only 3% of them being affordable. As others have said, it is quite clear that a major hurdle when building more homes is the structure of the housing market, which works mainly in the interests of the volume housebuilders.

Several noble Lords have mentioned quality. In his introductory speech, the noble Lord, Lord Best, talked about the quality of new build, but I am particularly interested in energy efficiency, which was mentioned by the noble Baroness, Lady Brown. Between 2006 and 2009, Energy Efficiency Partnership for Homes carried out a survey of building control officers and, somewhat shockingly, it discovered that most of them considered energy efficiency only a medium to low priority as it was not life-threatening and hence not something on which to focus limited resources. The officers also considered that non-compliance with Part L of the building regulations was too trivial either to withhold a completion certificate or to instigate court proceedings. I suggest that that is still a problem for us in local government.

Other noble Lords have already mentioned part of the answer to the quality issue, namely our method of construction. We continue to use the same methods that we have used for more than a century. Houses made from modules built in factories have high standards of finish and are much more energy efficient. In addition, they are much more environmentally friendly—during construction there is less waste and there are fewer vehicle movements on and off sites. We know that we lack a skilled building workforce and that we need to train more people in construction techniques. This is an ideal time to introduce new ways of working, and I hope the Government will continue to encourage homes built in this way. This week I read that Low Carbon Construction is trying to develop this by having temporary modular factories near the sites on which it is building.

Lastly, I turn to small builders. The Federation of Master Builders has sent me a very good briefing which I probably need to give to the Minister as I do not have time to talk about it now. However, it cites four reasons why small builders have problems, including: access to land and planning for small sites, cited by 62% of members; access to finance, with 45% of respondents saying they were involved with sites stalled for financial reasons, up from 35% the year before; and the planning application process being strongly linked to planning resources. We have debated that issue before in this House and I am disappointed that the Government are taking so long to implement provisions that this House has passed.

Like other noble Lords, I have been involved in housing over the years. I have always thought that, given that housing affects every other area, we should have a Minister at the Cabinet table. I have been saying that for 24 years, and the Government have now half-done it. I hope that something will come of it, because we owe it to the people who cannot afford a home or have no home at all.

1.06 pm

Baroness Wolf of Dulwich (CB): I, too, thank my noble friend Lord Best for securing this debate and join him, the noble Lord, Lord Taverne, and others in pointing out that if we do not do something about construction skills, we will not get any additional homes. In fact, we will fall backwards, not move forward.

There has been a dramatic fall in the number of construction apprenticeships in this country over not just the past few years but the past few decades. I shall give a few examples of recent problems. In 2012-13 construction apprenticeship starts fell to only 14,000, whereas in the early 1970s one large construction company alone had three times that number going through its books. This is a real national crisis. Although we have seen a small upturn, so the 14,000 starts in 2012-13 have now crept back up to 21,000, which sounds like good news, the continuing bad news is that only 10% of those are level 3, the level of a truly skilled craftsperson.

This is a true national crisis, but it has been many years in the making. It would be easy to say that it is all the fault of the major housebuilders, who have just decided that it is cheaper and easier to pull in skilled adult employees from eastern Europe, but it is fairer to say that there was an existing crisis and the arrival of the accession states covered it up. This crisis has been a long time in the making and only the large construction companies can make any serious dent in what is going on. They are fundamental to the apprenticeship system and to the development of construction skills. Even if we see a revival of small companies, which I hope we will, the nature of the construction industry is such that if the big companies are not truly involved, it just will not happen.

At this point, I shall refer to a company that has not come up much: Carillion. It has not come up much because it is on the verge of bankruptcy rather than making record profits and it is not primarily a housebuilder, but it is a fundamental part of what is left of our construction skills training system. It was originally made up of the names of my youth—Wimpey and Mowlem—which were central to what is left of the system. They are where I get my numbers from. In the Wimpey training—I do not know quite what to call them—sites, numbers plummeted in the 1970s and 1980s so that where it had been taking on 7,000 apprentices a year, the number went down to about 1,000, most of whom, even now, go on to other companies, not to Carillion.

The problem is no doubt partly the company's own fault, but it is also very much a failure of government policy. What is truly shocking is that we have had a Construction Industry Training Board and a construction industry training levy all these years. When the other

[BARONESS WOLF OF DULWICH]

industrial training boards went, it was felt that the nature of the construction industry meant that the levy was important. It is not particularly difficult to come to the conclusion that the Construction Industry Training Board has not done a terribly good job. In fact, in this last year and a half, many of the leading companies have expressed in public real concerns about the performance of the CITB, and a government review stated, "We cannot really see any reason to change; it is all too difficult". We have had a review of these industrial training boards from the Department for Education, and the main result is that the CITB will increasingly concentrate on enabling others to provide high-quality services, except when intervention is needed to secure the quality and efficiency of services. That gets a prize for a number of things as a piece of prose, but not as a solution to an acute problem.

The other thing I want say quickly before I close is that apprenticeships are among the other respects in which Section 106 is no longer working, and I would be happy to explain at length why this is the case.

In conclusion, I have two questions for the Minister. First, in the context of this recognised national crisis in housebuilding, will the Government consider revisiting the issue of apprenticeships and training in construction, not simply in the context of the narrow view of the CITB but more generally in terms of the evident failure of the combined industry and government policy to produce the skills that we need? That failure impacts particularly on working-class boys. Secondly, in that same context, will they consider having a proper look at Section 106?

1.12 pm

Baroness Gardner of Parkes (Con): My Lords, I congratulate the noble Lord, Lord Best, on this valuable debate today. He paints a harsh, or perhaps a rather sad, picture of the major housebuilders, in terms of their putting profit before people. We should remember that these firms—like many other people, I have had a few shares in them for many years—have done much to advance the construction industry in this country.

When I became a Peer in 1998, we had two Members of House who each had a long history in the construction industry. One was a housebuilder—Frank, Lord Taylor—the other was Edwin, Lord McAlpine of Moffat, the grandson of the founder of Sir Robert McAlpine and Sons, although they are not housebuilders but a major construction company. It seems appropriate that Edwin's grandson is taking part in this debate today.

A special memory for me is seeing these two charming elderly men chatting together and obviously enjoying it. I already knew Lord McAlpine. Lord Taylor told me that he had started his building work at the age of 16 in Blackpool. Not only did he see the opportunity to create homes during a severe shortage, but he learned how to build them. He persuaded his bank manager to loan him some £400 to start the enterprise and then sold a pair of properties for a 100% profit.

Taylor was a motivator who had the ability to inspire people with almost unequivocal loyalty. In the early 1930s, he persuaded his entire team to uproot and move south from Blackpool to Hayes in Middlesex.

He bought a site which other builders had passed by because of the drainage difficulties. He solved those and went on to build 1,200 homes. By 1935, Taylor Woodrow had become a public company. In confronting these new challenges, Taylor maintained his basic values of hard graft and doing a fair day's work for a fair day's wage. Although he had the ability to think on the grandest of scales, he kept his eyes on the small details—he would often check the roof of a house himself. He believed in teamwork, having no staff, only team members. Although knighted in 1974 and invested for services to the UK, he shunned personal acclaim, preferring to recognise his success as the product of a team effort—a team that now numbers around 8,500.

Taylor was one of the last of the old school of entrepreneurs, whose passion was focused not just on the business but on the people within that business. One of his tenets of management was to allow people to take responsibility young and give them the licence to make mistakes—but only once. He did not suffer fools gladly. He stood for good quality at a fair price and wanted everyone to know that was the firm stood for.

Was it only in the past that it was possible to go from rags to riches? No. Today, Tony Pidgley has a parallel history—a real rags to riches story. Now boss of Berkeley, he was adopted at four and left school at 15, but has had similar success. From personal experience over the years, I know how good he has been at supporting various charitable causes.

My own interest in building dates back from the day when we redeveloped the garage behind the surgery at our little mews house. We were the first, but now the whole mews has now been completely redone, and ours is tiny compared to all the others that have added a floor on top or a basement below. The work was done by the small works department of Bovis Homes, and at that time many major builders had similar departments.

My other venture was in the 1980s, when I bought a central London house for the family to live in. We were shocked to find it suddenly split apart due to subsidence and we were forced to demolish and rebuild. These minor experiences make me appreciate the work of builders and the demands on their skills. Training has always been a big issue and I am glad it has been brought up today.

1.16 pm

Lord Kerslake (CB): My Lords, I first declare my interests as chair of Peabody and Be First, as well as president of the Local Government Association. I should also say that I have worked closely with the major housebuilders and their trade body, the Home Builders Federation, for nearly a decade, in particular when I was the chief executive of the Homes and Communities Agency. I too congratulate my noble friend Lord Best on this debate and his speech. Four minutes is a cruelly short time to speak on this very big subject, so I will say very little about the wider housing issues, other than to observe that the Government have correctly identified the importance of tackling our broken housing market but have so far been nowhere near big enough or bold enough in their solutions.

I came into housing at just the point the housing market fell off a cliff. Supply halved, the workforce was also halved, and profits and share values crashed. Through a combination of their own enormous efforts and substantial intervention by the Government, the major housebuilders pulled through. Sadly, many of the smaller housebuilders were not so fortunate. A decade on, supply has been restored and profitability and share value have returned. This is something we should generally celebrate: it suits nobody to have the housebuilders on their knees. Yet we still have enormous issues of affordability and supply, unacceptable bonuses and, as others including my noble friend Lord Best have commented, customer satisfaction falling to a worrying level.

Something more needs to be done, and here are my top four actions. First, we should recognise once and for all that the task of delivering the new housing that this country desperately needs cannot and will not be delivered by the major housebuilders alone. This was the fundamental mistake of the late, unlamented measures in the Housing and Planning Act. The Government have thankfully moved on from that Act but have not done enough yet to create a genuinely long-term mixed model of delivery. Lifting the borrowing cap on local authorities and substantially increasing the social housing grant would be a good start.

Secondly, a fundamental review is needed of the now £30 billion Help to Buy scheme. It should not be deleted, but should become much more targeted and require much more from the industry in order for it to benefit from it. The scheme should be focused solely on first-time buyers and available only where it is critical to the delivery of a scheme. In return for this, housebuilders should commit to curbing excessive bonuses, delivering more affordable housing and investing in developing a skilled workforce.

Thirdly, a fundamental change is needed in the way the viability assessment works. Currently, land prices are determined by whichever developer is prepared to take the biggest gamble on beating down costs and reducing Section 106 commitments. As Shelter commented, this makes for scheme delays, high legal costs and poorer quality schemes. This is creating real anger and disempowerment at community level, exacerbated by the poor quality of many of the schemes agreed through the permitted development rights scheme.

Fourthly—my noble friend Lady Wolf has been very good on this—we need a new joint plan between government and the sector to address the enormous skills gap. It is not just about bricklayers and Brexit, important though that is. There are significant shortages in professional skills as well, including, crucially, many local authorities planning departments, which are on their knees, frankly. The London mayor's Public Practice initiative and Bexley Council's proposed place and making institute, both of which are supported by Peabody, are good examples of what needs to be done.

I put forward these proposals to support, not attack, the housebuilders. We need a thriving and growing housebuilding sector to have any chance of delivering the homes that this country requires, but it is in the interests of everyone, most of all the sector itself, that change is made.

1.20 pm

Baroness Neville-Rolfe (Con): My Lords, I congratulate the noble Lord, Lord Best, on securing this fine debate and pay tribute to his lifelong work on social housing. Although I do not agree with some of his detailed points, I do agree that the present situation is unsatisfactory and has been for far too long. To my mind, to understand what has gone wrong we need to look at both demand and supply.

I start with the demand side, because it always receives much less attention. In 1960, the population was 52 million; by 2000, it was 60 million; and today it is 66 million and growing rapidly. The scale of growth has been very fast, mainly because of the scale of immigration, especially since Labour gained power in 1997 and the opening up of eastern European borders following enlargement. This growth was encouraged by the Government of the day for political reasons, as insiders have since admitted, but its scale was not admitted at the time, nor planned for, despite the party's advocacy of planning.

Secondly, the average household size has reduced from 3.01 in 1960 to 2.33. Thirdly, add in our ageing population and, fourthly, the purchase of many properties in the south-east by overseas investors and one can understand why we face difficulties. Demand has also been exacerbated by the assistance the Government are giving, notably Help to Buy, and I fear will be further exacerbated by much of the generous £44 billion of support in the pipeline from 2017 to 2022—I cite that from the excellent Library note produced for this debate.

That brings me to supply and some findings from a fine report that Chris Philp MP recently produced for the Centre for Policy Studies. In the 38 years from 1970 to 2007, housing starts averaged 234,000 a year. They declined to 125,000 in 2009 and were still only 192,000 in 2016-17. There is a huge shortage of housing in London and the south-east that has built up for nearly 20 years, with a cumulative undersupply estimated at 439,000 homes. There are now 1 million more people living with their parents than in 2000 and all too frequent cases of immigrants living 10 to 15 in a small house.

Housing costs are very high, especially in and around London and, as has been mentioned, it takes 10 years for a first-time buyer to save for a deposit. Yet home ownership remains a near universal aspiration, and the net present value of owning compared with renting is materially better on all reasonable assumptions, so young people are right to feel anxious.

So what should our Housing Secretary do? He needs to show unwavering leadership and build trust between the key stakeholders: notably between government departments, metro mayors and local government. He needs to use the funding made available to better effect. To take one example, the thinking behind the national productivity investment fund for roads was that it could free up land for housing as well as eliminate blackspots, but the bureaucracy around the funding is delaying investment. He needs to engage the major housebuilders, but I agree with other speakers that we sorely need the small housebuilders, who have melted away since the plan-led system came in in 1990.

[BARONESS NEVILLE-ROLFE]

I have called before for a tax break for small builders, and I do so again. He needs to identify and tackle the barriers to success. Like other speakers, I single out the weakness of construction skills among the UK population and our slowness to develop modular homes.

Planning has got a bit easier, but it is bureaucratic and difficult, and I believe in easing restrictions rather than just imposing duties on councils—for example, planning around stations, motorways and public buildings with build-out clauses in the sale of land to accelerate the process, and allowing taller buildings and schemes on low-density housing estates. Two ideas from the CPS report are to require new developments over 20 units to be 50% purchased by UK residents, and requiring mortgage lenders to extend offers to 12 months for first-time buyers, so that they can buy new homes off plan.

The ministerial team needs to review and report on how it is doing and learn from success and failure. The Budget target of 300,000 homes is a good start, but it needs to grow. Above all, the plan needs to be simple and well communicated. I wish my noble friend the Minister and all those charged with this important task every success.

1.26 pm

Lord Shipley (LD): My Lords, I remind the House that I am a vice-president of the local government Association and of National Energy Action.

This debate has been about the performance of the UK's major housebuilders, and the number of speakers reflects its importance. I thank the noble Lord, Lord Best, for his robust diagnosis of that performance and place firmly on the record that I share it.

Many contributions have been made, and I should like to draw out just a few which I think are particularly important. The noble Lords, Lord Hunt of Wirral and Lord True, talked about the need for public-spirited partnership in housebuilding, and that is absolutely true. The question, of course, is how you get there and, for me, the answer is a civic housebuilding model rather than a speculative building model.

I particularly appreciated the contribution of the noble Baroness, Lady Brown of Cambridge. She raised a number of important issues, such as how to fund zero-carbon homes, and pointed out that the bonuses being paid by Persimmon Homes could have amply covered the delivery of zero-carbon homes built by that company. She also made a helpful point about Help to Buy: that it should apply only to low-carbon homes.

I agree with the noble Lord, Lord Whitty, on the subject of a separate Ministry of Housing, a point supported by my noble friend Lady Maddock. It is a very important suggestion that we have debated before in this Chamber; it is important to raise housing even higher than did the recent reshuffle.

The noble Lord, Lord Turnbull, asked what redress the Government might provide for leaseholders with existing expensive contractual commitments. I hope that the Minister can give a specific answer to that question. I absolutely agree with the noble Lord,

Lord Horam, who talked about the importance of not selling public land at the highest prices if we are to solve the current crisis.

We have not been building enough homes for about 20 years, and housing policy has been geared too much to owner-occupation, to which many households cannot aspire. The result of past failures in our dysfunctional housing market has been a lack of supply overall and a lack of affordability caused by the shortage of homes. House prices today are almost eight times the average wage. The number of people under 35 owning their own home has dropped from 59% to just 38% in the past 13 years. According to Shelter, the average new home built today is not affordable for 80% of private renting tenants who are in work, even with the assistance of Help to Buy. We should note that private renting now accounts for one in five of all households in this country. That figure is too high.

From these Benches, we have heard from my noble friend Lord Stunell that government policies have led to increased prices. He made the point that big companies prefer big sites, on which production can be slower; on big sites they can time the rollout of building. He made a very important point that more, smaller builders on lots more sites would mean multistarts on sites, which would mean a greater number of completions. That diagnosis is right. I know that the Government have proposed increasing the number of SME building companies. We need to keep encouraging more builders to enter the market to build on smaller sites because we will end up with more homes being built.

My noble friend Lord Stunell also talked about the need for increased borrowing for housing for rent. The noble Baroness, Lady Thornhill, talked about the massive shortage of social and affordable homes, and raised the issue of viability assessments, which the National Planning Policy Framework has made a material factor in planning. She said that it was meant to be a sensible exceptions policy. Indeed, when the Bill in question passed through this Chamber, that is what noble Lords thought it was but, as she said, it has become the rule. Planners are frustrated locally by their lack of control because viability is being weighted in favour of the applicant and is undermining public confidence in the system.

My noble friend Lord Taverne talked about the importance of small developments, such as pocket developments, and using modular home construction systems. He talked about the demographic time bomb and the importance of having enough trained workers if Brexit happens. The issue of apprenticeships and skills in construction was also mentioned by the noble Lord, Lord Kerslake, and by the noble Baroness, Lady Wolf of Dulwich. That issue, which is not entirely related to Brexit but is made worse by the prospect of it, really matters. We need to have enough people trained to build if the Government are serious about getting to 300,000 completions a year.

My noble friend Lady Janke talked about Bristol, where the price of a home is not eight times but 10 times the average national income. She talked about the £6.1 million that Bristol council spent on homelessness and the lost 200 affordable homes in a year because of the viability assessment loophole. She reminded us that many of those assessments are not made public

and that many planning departments operate with too few staff. My noble friend Lady Maddock talked about quality and said that energy efficiency is too often seen as a low priority when it should not be, and she encouraged new methods of modular construction that could be more environmentally friendly. We have had a wide-ranging debate and all the contributions are very helpful.

In my final two or three minutes, let me say what I think the Government should do next. I acknowledge that they have understood some of the dysfunctionality of the housing market—that has been reflected in various announcements in recent months. However, as the noble Lord, Lord Best, pointed out in his introduction, the Government are underpowered in this area. Not enough is being done. The noble Lord, Lord Kerslake, made the same point.

The Government cannot build 300,000 homes a year unless they make more productive use of land, so they should stop selling public land at the highest possible price. Government policy needs instead to be driven by affordability, with 50% of affordable homes on publicly owned sites and at least 30% on privately owned sites. I hope they will pay particular attention to the outcome of the Letwin review and take action in the public interest, as necessary, to reduce land banking.

A number of contributions on planning have dealt with bureaucracy and red tape, but I do not see it as being about bureaucracy and red tape. More planners could speed up the planning process. We need planners who can lead place-based planning. We need a planning system based on fewer large-scale sites and more, smaller sites which in turn, as I said earlier, will encourage smaller builders to enter the market. Planners, too, have a role in reversing the current trend of smaller new homes of poorer quality, which result in rising profits for builders.

The viability assessments process has to be reformed. We have heard a great deal about this, but I hope the Minister can say something further about how the Government plan to make that process better. The Government have to permit more borrowing by local authorities and housing associations in order to build more social and affordable homes. That is essential, unless they are prepared not to hit their 300,000 target. They will do that only if local authorities and housing associations can borrow.

Finally, the Government have to end the speculative housing model that has increased land values and created the dysfunctional housing market we have today. Instead, we have to move to a civic housing model that emphasises place-making, quality and affordability and has at its heart community benefit, not private profit, director bonuses and reducing standards.

1.36 pm

Lord Kennedy of Southwark (Lab Co-op): My Lords, I make my usual declarations of interest as a councillor in the London Borough of Lewisham and a vice-president of the Local Government Association.

Like other noble Lords who have spoken in this debate, I wish to put on record my thanks to the noble Lord, Lord Best, for securing this important debate today.

We often talk about housing, but the noble Lord, in changing the focus to the performance of the UK's major housebuilders, has shone a welcome spotlight on what has been happening with them. As the noble Lord said, they have struggled to either achieve the quantity or the quality of the new homes the nation needs.

The number of homes being built has increased and, while that is welcome, we are still not building enough to meet the demand. That, in itself, has huge consequences for families, on rent levels, affordability of housing, house prices, standards and homelessness. My noble friend Lord McKenzie of Luton referred to the scandal of homelessness. The Labour Government had virtually eliminated the scourge of rough sleeping by the time they left office. It is shameful that walking to your Lordships' House from any of the nearby mainline stations, we are confronted by people sleeping in doorways or in Westminster tube station. I agreed entirely with the contribution of the noble Lord, Lord Turnbull, about young people struggling to get on to the housing ladder and the whole question of the rising costs they have to endure.

The number of homes we have been building has been in decline for many years under successive Governments of all colours. Even with the welcome increase that we have seen more recently, we still built 200,000 fewer homes in 2016-17 than in 1969-70. Those figures are quite stark and highlight the problem we face as a nation. There is also the issue of building the homes that people actually want, where communities need them and the type of housing that communities need. The right reverend Prelate the Bishop of Newcastle made very important points about building homes and communities, and again made it clear that even more social housing is needed and a distortion has been created in recent years by the failure to deliver that.

To address that issue, there has to be a bigger role for local authorities, as many noble Lords have said, and for housing associations. The model favoured by the Government at present will not deliver the increase that we need, or to which the Government have committed themselves. I agree with the noble Lord, Lord Kerslake, that the major housebuilders will not solve the problem on their own in this housing crisis. As we have heard today, other models need to be developed and used.

As we have heard, the major housebuilders buy land, often competing with each other, which puts up the cost of the land. They then, rightly, want to maximise their return on their investment, often moving towards a model that drives down the element of affordable housing in the developments that they deliver. That is often to the dismay of the local authority, which can have very little power to do much about it. I do not blame or criticise businesses—and housebuilders are businesses with shareholders, seeking to maximise their return. They are not the Government; they are not looking at housing policy and solutions; it is the Government's job to do that. I agree with the noble Lord, Lord True, that the focus needs to be not just on numbers but on quality; we need to build quality homes.

[LORD KENNEDY OF SOUTHWARK]

Like the noble Lord, I have lived in a variety of places. I grew up on a council estate in Southwark, the Aylesbury Estate, and lived there for many years with my family. I then rented in Coventry and Nottingham, in the private sector, and now I am a homeowner living in Lewisham in south London—but still paying my mortgage, unfortunately. These things happen and life goes on; many people move through the same things and move forward. But it is frustrating that the Government are not using all the public policy levers at their disposal to fix, as they term it, the broken housing market.

I sit on a planning committee in Lewisham Council and I have often seen, with much regret, that when we consider planning applications—I have considered hundreds in my time—the affordable element has been squeezed down. The noble Lord, Lord Hunt of Wirral, made reference to the decline of smaller housebuilders and the problems that that has caused—and I agree on those points. However, I do not agree about red tape in the planning process. I have sat on a planning committee for many years, as I said, and have approved hundreds of applications, and I just do not believe that the problem is the red tape with the planning departments. What frustrates me is that the committee often agrees the application and then, weeks, months and years later, nothing much has happened. A sign has gone up that says, “Land available to build 20 houses with full planning permission”, but nothing actually happens—not a brick is laid. That is the issue. It is not the planning department holding things up; it is things not getting built.

The use and cost of land is another issue, particularly in London, with the numerous planning applications being approved with no action being taken. That needs to be dealt with. Many noble Lords have mentioned the cost of public land and how public bodies can dispose of that public land for affordable and social housing, and be able to sell it for best value rather than the highest price. The noble Lord, Lord Horam, referred to that. When we considered the last planning Bill—I think that it was last year—I moved a number of amendments in this House which were supported by Transport for London, which wanted to dispose of some of its land other than at the highest price. It wanted to be able to sell it at a lower price for best value to build social housing. We had discussions with the Government about that—the Mayor of London has ambitious targets for building more affordable housing and more social housing—but at the end of the day we just could not get the Government to agree, and it all fell by the wayside. It is very regrettable that we did not do that, and I hope that at some point the Government will look at it again. Disposing of that land at a more reasonable price would enable us to build the different tenancy homes that we need.

The briefing from Shelter talks about using public land more intelligently, which is what we are talking about here, to solve the problem and fix our broken housing market by helping to meet the Government’s own housing targets and actually building homes that people and communities want and need. Building homes that people want and need is of paramount importance. All too often we see the same types of

housing built, with the same designs, not taking into account the locality or what the real need is in an area, or seeking to address that need, because it might not fit into the model that the housebuilder wants to supply. So we need to do more, build more and be more ambitious about what we want to build and what can be achieved. Housing associations have a good track record in building homes that people want and meeting community need, but they need to do more—and, actually, they want to do more, as a number of noble Lords have said that. I would like the Government to give more focus to the co-operative sector, and to look at offsite manufactured housing with more energy, as the noble Baroness, Lady Maddock, said.

I asked a Question recently on offsite manufactured housing and made reference to the report by the GLA committee chaired by Nicky Gavron about what was being done. Community land trusts and custom housing building projects, as the noble Lord, Lord Best, said, equally have important roles to play in these small developments. I have also recently asked a number of Written Questions about Ebbsfleet and the development corporation, which the noble Lord, Lord Bourne, has kindly answered. On looking at the Answers that I have got, it seems to me that progress is a bit slow there in getting housing built and reaching the growth that the Government were expecting. Perhaps the noble Lord could comment further on that.

We certainly need to do much more to support the small housebuilders. Their market share has been shrinking over a number of years, but they in particular can work on the smaller and more bespoke schemes that are needed, which are more reflective of local communities.

Skills is another big area where more action is needed, as my noble friend Lord Whitty said. Much more needs to be done to get young people in the UK equipped with the skills to become the bricklayers, carpenters, electricians, plumbers and roofers of the future. We have all come across the very skilled workers who have come to work here from abroad, and we are very lucky to have their contribution, but it is a matter of regret that we have not done much more to train our own young people to have a greater share of these new jobs. Major housebuilders need to do more by taking on apprentices on leaving school and giving them the skills. I agree with the comments of the noble Baroness, Lady Wolf of Dulwich, that we have a serious crisis that needs to be addressed.

I also think that local authorities in England need to be able to borrow to build. As the noble Lord, Lord Best, said, their being able to use 100% of their receipts from council house sales to build more homes is long overdue.

I would like to look at the figures that the noble Lord, Lord Naseby, gave us. However, I certainly agree with him that the Labour Government should have built more council housing. But it would be worth looking at the money spent by that Government on the Decent Homes Programme, renovating social housing and making homes warmer, safer and drier. That programme improved our social housing stock with better roofing, windows and heating, making much-needed upgrades throughout social housing.

I agree with the noble Baroness, Lady Brown of Cambridge, on the desirability of building more low-carbon housing using the most energy-efficient standards. That was an issue that the noble Lord, Lord Krebs, from the Cross Benches, as well as the noble Baroness, Lady Parminter, and others raised time and again during the passing of the now infamous Housing and Planning Act 2016. We were unable to persuade the noble Baroness, Lady Williams of Trafford, or the noble Viscount, Lord Younger, of the desirability to do that then. Very small sums of money were required to do it when houses were being built; as the noble Baroness said, it costs many more thousands of pounds more to retrofit houses at a later date. It seems crazy that we are not doing it now.

I do not doubt the sincerity of the noble Lord, Lord Bourne, or the Government, in tackling our broken housing market, but it is very frustrating that some very obvious policy decisions are staring them right in the face and are not taken up. I hope that the noble Lord can look at them now.

1.47 pm

The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government and Wales Office (Lord Bourne of Aberystwyth) (Con): My Lords, first, I thank the noble Lord, Lord Best, for moving this debate with characteristic breadth and depth of knowledge. It is a real privilege to hear his thoughts on the issue. Clearly, he is a man who knows what he is talking about.

Many noble Lords have talked about this being a debate not just about housing but about people. For example, the right reverend Prelate the Bishop of Newcastle made that very pertinent point. People referred to the new name of the department. In fact, it is now a ministry—the Ministry of Housing, Communities and Local Government, or MoHoCoLoGo, as I am told it is being called in the corridors of power. It makes us sound like a Mexican nightclub. But there is a serious point to this; it is not just cosmetic—it is about the importance that we attach to housing as a Government. Indeed, the Prime Minister has made it clear that it is the number one domestic priority. Points have been made across the Chamber, and I think we all share the recognition that this is crucial; we need to build more and to higher standards and a higher quality design. I shall try to do justice to some of those points.

Noble Lords have referred to the phrase, “fixing our broken housing market”. The noble Lord, Lord McKenzie, referred to it and indicated that it shows that it is not just dependent on the market. I agree with that; I think that the fact that we need to fix the market means that we are looking at regulated markets. Anyone who has been following what the Government and the ministry has been doing knows that we have been taking action to do just that. That is not to say that the market is not important here; it has certainly helped to deliver housing across generations, as my noble friends Lord Borwick and Lord Hunt made clear, along with others—my noble friend Lord Naseby spoke with great personal recollection of his time in Islington and indeed in Northampton South.

We have announced further reforms recently, including planning reforms both to ensure that more land is available for housing and to maximise the potential of our cities and towns to build new homes, while protecting the green belt. Noble Lords, including the noble Lord, Lord Shipley, and the noble Baroness, Lady Thornhill, made points about the viability assessment. We have consulted on this and will be responding to that consultation, but the aim is certainly to make the viability assessments simpler and clearer.

More than £15 billion of new financial support has recently been made available for housebuilding over the next five years, taking the total financial support up to 2022-23 to £44 billion, which will help to boost the delivery of housing. Using funds flexibly will unblock barriers to more housebuilding.

Many noble Lords have referred to the need to assist smaller housebuilders; I share this aspiration, as do the Government, and we have of course been doing this. The noble Lord, Lord Shipley, and my noble friends Lady Neville-Rolfe and Lord Borwick referred to this, as did other noble Lords. We have, for example, recently ensured that there is an extra £1.5 billion for the home building fund for small and medium-sized builders; we will be watching this to make sure that it is having an effect.

The right reverend Prelate the Bishop of Newcastle, among others, referred to the housing revenue account and the borrowing cap. We have recently raised that cap by a total of £1 billion in areas of high affordability pressure for local authorities that are starting to build new council homes. We will be assessing bids in relation to that before long.

Noble Lords may have seen that, this very morning, we launched Homes England. The Secretary of State, Sajid Javid, was at Alconbury to do that this morning. This will drive forward change by bringing together money, expertise, planning and compulsory purchase powers.

Many noble Lords also referred to the importance of new towns—including the noble Lord, Lord Best, and my noble friend Lord Naseby, who spoke with personal experience of Northampton—and have urged expansion of this programme. We are taking that forward; it is central to our thinking and it featured very much in the White Paper.

Taken together with these measures in the housing White Paper, the Budget puts us on track to raise housing supply to 300,000 a year on average by the mid-2020s and to drive up housing supply by the end of the current Parliament to its highest annual level since 1970. This represents clear ambition.

Many noble Lords referred to the need for more social housing—I share that aspiration. We have committed £2 billion, much of which will go towards social housing development, and we will be assessing bids in relation to that. The noble Lords, Lord Best, Lord McKenzie, Lord Kennedy and Lord Whitty, my noble friend Lord Horam and the noble Baroness, Lady Janke, referred to that. The noble Lord, Lord Shipley, expressed it in a slightly different way as “civic building”, which I think is a very good phrase to keep hold of and which describes what we are seeking to do.

[LORD BOURNE OF ABERYSTWYTH]

We recognise and welcome the contribution made by Britain's larger housebuilders towards getting the homes that we need built—it is worth putting that on record. Many have done and are doing that to a high standard, though not all, by any means. I will say something about housing design in a minute. We need to recognise that there are market controls and provisions for shareholders to control bonuses and indeed salaries, which are subject to being published.

That said, I understand the particular frustrations that have been expressed in relation to Persimmon. They will note what has been said—not least because we will make sure a copy of the debate goes to all major housebuilders, our partners and all agencies in this area. I listened with great interest to what my noble friend Lady Gardner of Parkes said in relation to the paternalism that was demonstrated by some people who had been here previously. My noble friend has had great experience in this area, so I was interested in what she had to say, which was very pertinent regarding that paternalism of old.

The noble Lord, Lord Taverne, also made some points about smaller organisations, including Pocket, and some good organisations that are really helping to deliver.

Some noble Lords touched upon planning conditions. My noble friend Lord Hunt spoke on this from a different angle, and so did the noble Lord, Lord Kennedy. They will both recall that the provisions in the Neighbourhood Planning Act forbid the use of pre-commencement conditions without the applicant's agreement. We are now working on the regulations in relation to that, not least on the speed with which these matters are dealt with, which I hope will help in terms of delivery.

Noble Lords also touched on the Help to Buy programme. The noble Lord, Lord Kerslake, talked about possibly having it in a revised form. It is important that we make this provision. It is of course a loan scheme, not a grant scheme, but it is central to the Government's thinking and noble Lords will understand the aspiration for home ownership. The noble Lord, Lord Kennedy, touched on it himself in terms of his personal journey in the types of tenure that he has enjoyed.

Mention was made of developer contributions and infrastructure in relation to Section 106 and the community infrastructure levy. I will take up some of those points in a write-around, if I may, because time is pressing. There was a contribution made in relation to small and medium-sized builders, which I have touched upon. The home building fund, which we launched in October 2016, provides £1 billion of short-term loan funding for small builders, custom builders and innovators to help diversify the housing market. Some £2 billion of long-term funding for infrastructure is also available to small and medium-sized enterprises, and indeed others. These funds have both proved popular. As announced in the Autumn Budget, we have added an additional £1.5 billion for loans to small and medium-sized enterprises, custom builders and innovators. It is our belief that this will help with delivery and of course also help small and medium-sized builders. I share the aspiration that many have expressed

that we need to move the emphasis back to small and medium-sized businesses, which are more flexible and should be able to take up some of the slack here.

In addition to ensuring that small and medium-sized enterprises have the financial support that they need, we have also responded to concerns about access to viable land and the unnecessary planning burdens that the sector faces. Proposals in the White Paper include increasing the availability of small sites through changes to the National Planning Policy Framework. The right reverend Prelate the Bishop of Newcastle referred to this. We have set out that at least 20% of the sites allocated for residential development in local plans should be sites of half a hectare or less. We also want to make information available so that small companies know what land there is to build on through the brownfield registers. Increasing planning fees to enable local authorities to provide a faster and better planning service should also help in that regard.

Further planning reforms were announced in the Autumn Budget, which will help to ensure that local authorities produce up-to-date local plans and take steps to increase density in urban areas by delivering more small and brownfield sites. I think this was something that my noble friend Lady Neville-Rolfe touched upon. We will continue to simplify the planning system in order to reduce the burden on business and to stimulate housing supply.

On leasehold reform, which was raised by my noble friend Lord Hunt and the noble Lord, Lord Turnbull, with few exceptions the Government cannot see any good reason for new-build houses to be built and sold on a leasehold basis. It is for this reason that we have asked all builders who use the Help to Buy equity loan scheme to stop selling leasehold houses with Help to Buy support. We have written to all developers to strongly discourage the use of Help to Buy equity loans for the purchase of leasehold houses in advance of new legislation. Although it is not possible to impose a requirement on developers to stop building leasehold houses under existing contracts, this is an opportunity for housebuilders to get on to the front foot and show that they are putting their customers first by recognising that the unnecessary use of leasehold on new houses has to end as quickly as possible. We will be monitoring the sale of leasehold houses through the scheme and will take further action, as appropriate, if we are not satisfied that builders are working on this important issue—we will be watching like hawks.

A question was about existing leaseholders. We are working with the Law Commission to see what can be done in relation to these matters. I will expand on that in the letter that I will send to contributors to the debate. The Secretary of State has written to developers to make this position absolutely clear.

Housing guarantees were touched on by noble Lords in relation to helping SMEs and providers of purpose-built rented housing. The announcement of £8 billion-worth of housing guarantees at Autumn Budget should help with delivery here. Therefore, we will work to engage the market over the coming months on the most effective way to deploy this guarantee capacity to pursue our housing goals. That, of course, will emphasise the work that we wish to do through the small and medium-sized housing providers.

Mention was made of supporting ambitious housing associations and local authorities to build. In 2016-17, 41,530 affordable homes were delivered. This represented a 27% increase from the previous year. However, I stress that we want to see more. To deliver more affordable homes, including at a social rent, we are investing £2 billion, as I mentioned. That will be subject to an announcement on how we are carrying it forward. As I indicated, we are also raising the housing revenue account borrowing cap. I think that was raised by the noble Lord, Lord Stunell, among others. Local authorities have shown that they share our ambition and we look forward to seeing how that plays out.

Mention of land banking and delivery was made by many noble Lords. Mention was also made of Sir Oliver Letwin's review. It is important to recognise that a variety of factors can prevent development starting, but certainly sometimes this will be as a result of what is termed land-banking. The housing White Paper acknowledged that there was an issue here and at Autumn Budget we more than doubled the housing infrastructure fund, because this is sometimes an issue, investing an additional £2.7 billion, to take the total fund to £5 billion. This infrastructure issue was raised by my noble friend Lord True, the noble Baroness, Lady Thornhill, and others, including my noble friend Lord Hunt. Therefore, we will ensure that we invest in the right infrastructure, in the right places, so that new housing does not create additional strain on local communities and services.

As I say, we acknowledge that there are concerns that land may be being banked by major developers. We announced in the Budget a review panel, chaired by the right honourable Sir Oliver Letwin MP, to look into build-out rates. This review will provide an interim report in time for Spring Statement 2018 and a full report in time for Budget 2018. The review will have two parts. The first part, which Sir Oliver is working on at pace—he often works within the department—will seek to explain the significant gap between housing completions and the amount of land allocated or permissioned. This will be the focus of that interim review. As I say, initial engagement has already commenced. The second part will make recommendations for closing the gap, and will work to identify practical steps that could increase the speed of build-out. These recommendations will be published in the full report later this year.

Quality design is very close to my heart. I believe very strongly that we need a robust framework to ensure proper design. The Government have embedded design principles into the National Planning Policy Framework and guidance, and this will be further strengthened when we publish the new NPPF early this year. Emphasis is placed on achieving well-designed and distinctive new developments that add to local character and create distinctive neighbourhoods as well as contribute to creating healthy and attractive local places where people genuinely want to live. The essence of this is that it is about not just the number of houses delivered but the quality of the design and of the property. We can all point to poor design, where new characterless, featureless, pattern-book housing estates are the same across the country. This is in contrast to much new housing throughout the

country, for example, in Cambridgeshire, where the Secretary of State is today, but in many other places as well.

It is important to say that the department has made great strides. We are creating a team of newly appointed design experts to be led by an architect with a research background. She will be in post by the end of January and will be supported by other design and planning advisers with experience in the sector. There is also a great opportunity to initiate in relation to new town developments. This fresh emphasis will help us to rise to the opportunities and challenges that exist.

To encourage people to put the message out there, the department will hold a major design conference in the spring in central London. The conference is an opportunity to signal to the industry what we seek to do. It will be attended by up to 400 representatives from developers, including large housebuilders, SMEs, local and central government, institutes, community representatives and others. All in all, our approach to raising design quality has attracted widespread support, not least from RIBA's President, Ben Derbyshire, who said that,

“we see much in the way of promising activity from Westminster; the Design Quality Fund, a major conference on quality, the appointment of architects to advise on policy, a joint working group on modern methods of construction, and of course the creation of the new Ministry”.

The support that has attracted is welcome.

On modern methods of construction, I thank the noble Lord, Lord Taverne, for what he said, not least on the importance of skills. I know that the importance he attaches to this goes back a long way. He has always as a politician—from when he was an MP for Lincoln onwards—signalled the importance of our European partners. That will remain true after Brexit. We will need the relevant skills.

I welcome what was said in relation to climate change by the noble Baronesses, Lady Brown and Lady Maddock. I absolutely accept that it is important. We have international obligations in relation to climate change and so it is important to ensure that these things are built into housebuilding. I noted the work of an impressive housebuilder in Wales—not England—who charges the normal price for a four-bedroom house but builds them as if they were power stations, as it were. They are carbon neutral and British. They have everything that we should approve. The Government are looking at that important initiative.

I will draw to a close. I regret that time is short on this occasion. I will ensure that I pick up any points that I have missed. I will write round and, as I say, I will ensure that a copy of this debate is sent to all relevant people, as it has been first class. I thank all noble Lords who have participated.

2.06 pm

Lord Best: My Lords, I know that we must conclude at 1408, so I have only a few minutes in which to express my appreciation to everybody who has joined in this very good debate. A few extra points were made that I had not picked up sufficiently—for example, my two noble friends mentioned apprenticeships and sustainability. I do not think we have done enough on that. However, nearly all the points were the subject of

[LORD BEST]

agreement rather than disagreement, with the possible exception of Help to Buy subsidies. But apart from that I think that broadly we are all agreed on the direction of travel. The list of ways in which government is now pointing in absolutely the right direction was impressive. I think that it was Paul Getty who said: “A billion here, a billion there, pretty soon, you’re talking real money”. Some resources are coming down the track, we just need delivery and a foot on the accelerator to make things happen, not to castigate the big builders but help them perform better in the future. I thank all noble Lords for joining in the debate.

Motion agreed.

Waste: Chinese Import Ban

Question for Short Debate

2.07 pm

Asked by Lord Greaves

To ask Her Majesty’s Government what action they are taking following the Chinese ban on imports of plastic and other waste.

Lord Greaves (LD): My Lords, I thank all noble Lords who have put down their names to speak in this debate. I declare my interest as a member of a local refuse collection authority.

The Question is about the ban by China on yang laji—or foreign garbage, as it may be translated—comprising 24 varieties of low-level waste, including paper and plastic, which started at the beginning of this month. I declare that I have a lifetime love of paper and a lifetime dislike of plastic but, most of all, I have a lifetime hatred of waste. I remember back in the Liberal Party in the 1970s, when we declared that we should as a country move towards zero waste. The in-phrase is now “zero untreatable waste”; people seem to be catching up with us. We have the 5p plastic-bag charge in operation, which I remind noble Lords was a product of the Liberal Democrats in the coalition Government. The *Daily Mail* likes to claim credit for it, but who cares really?

Today, the Prime Minister launched the Government’s new environment plan—I have not read it yet; it has 151 pages, apparently—and launched herself as an environmentalist and the saviour of the planet. That is okay, so long as it happens. It is perhaps more down to Sir David Attenborough and his “Blue Planet” series. But let us not mock. To quote Shakespeare’s Brutus:

“There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune ...
On such a full sea are we now afloat,
And we must take the current when it serves,
Or lose our ventures”.

Whether the present concentration on plastics and plastic waste is a result of the *Daily Mail*, the Liberal Democrats, Xi Jinping or anybody else, the tide is flowing, and let us float or sail on it while it lasts.

My noble friend Lord Teverson asked an Oral Question on the same subject as a sort of taster for this short debate. The Minister said in reply that the Government,

“has been working with key partners and issuing guidance”.

It would be helpful if the Minister shared the guidance with us. To the noble Lord, Lord Alton of Liverpool, he said that,

“it is clear that we need to do better, and that is why we are working on this issue”.

The Minister is always helpful and friendly with his answers and his responses to Members of this House. A little more hard fact and detail today would be welcome.

The Minister had no clear answers to a question from my noble friend Lord Teverson on the storage of plastics and the problems of potential pollution and fire hazards, responding similarly to a question on incineration asked by the noble Lord, Lord Alton. He said that landfill was a “last resort”. The problem is that local authorities and others may quickly come to find that landfill is the only resort. Can the Minister not only provide some answers to my noble friend Lord Teverson’s questions on pollution and fire hazards but say whether the Government are expecting and encouraging more incineration in the present short-term crisis?

In answer to a question on alternative markets for plastics from the noble Baroness, Lady Jones of Whitchurch—who, no doubt, will press this later in this debate—the Minister said that,

“we need to address this issue on a global basis”.—[*Official Report*, 9/1/18; cols. 115-16.]

Is the Minister saying that it is a question of new and more markets for the products of recycling and remanufacture of plastics, or are he and the Government looking for new markets for our waste, to dump it somewhere else? Will he give us an assurance that, in particular, we will not try to dump more waste on other countries in the third world such as in Africa, which already suffer badly from toxic waste from Europe? Michael Gove said that the UK must “stop offshoring its dirt”. Is that an absolute commitment, and how will it be achieved?

Finally, how much EU waste goes to China and what joint solutions are we seeking within the European Union and the internal market to try to solve this problem? Is it not a bit ridiculous that we are trying to leave the European Union internal market when it is so valuable when issues and problems like this come up?

The statistics are eye-watering. Between 2012 and 2016 the UK exported 2.5 million tonnes of scrap plastic to China. The developed world consigned some 7.3 million tonnes of used plastic to China in 2016 alone. China’s scrap paper imports in 2016 were a massive 28 million tonnes, 3.8 million of that from the UK.

The new ban—which, I have to say, in many ways I welcome because it is making people wake up to the problem—threatens to destroy the business model of the UK waste industry together with its supply chain, and threatens to leave local authorities firmly in the lurch. The chief executive of the UK Recycling Association, Simon Ellin, told the BBC that he had no idea how the problem could be solved in the short term:

“It’s a huge blow for us ... We simply don’t have the markets in the UK”.

The UK organisation RECOUP, which recycles plastics, said the China ban would lead to stockpiling of waste and a move towards incineration and landfill. Do the Government agree? Peter Fleming from the Local Government Association said:

“It’s a challenge—but mostly in the short term... and we will cope”.

Local authorities cope, but increasingly in unsatisfactory ways. My own local authority is being forced by the county council’s scrapping of the recycling subsidy—because of its financial problems—to go on to four-weekly instead of two-weekly recycling collections. We do not want to do it but we have no alternative whatever. We are going the wrong way and we need help from the Government, which means more money.

The UK has been slow to react to the China ban. As we know, Defra is working overtime on Brexit agricultural and fisheries reform, producing a two-year late, 25-year environmental plan, which, at last, has been published today. We welcome that and look forward to debating it in your Lordships’ House. Will the Minister give us an assurance that he will do everything possible to get a debate on the new plan in this House as soon as possible? We seem to have a lot of time for debates at the moment. Defra is also planning to get thousands of new environmental laws on to the post-Brexit UK statute book, and, no doubt, that is taking up some time.

According to the Prime Minister in her speech this morning—which I enjoyed watching on the television—plastic waste is one of the great environmental scourges. We must reduce the demand, reduce the amount of plastics in circulation, increase the recycling rate and rationalise all the different kinds of plastic that bewilder all of us who are not chemists by training. We agree with all that, and we might add some more things. As well as Defra, what is the role of the Department for Business, Energy and Industrial Strategy in achieving these aims? A lot of them will require a lot of investment and changes in the working practices of the companies involved in all this work, most of which are in the private sector. How will this be achieved and what is the role of that department?

To increase the recycling rate there is a key role for local authorities in both collection and disposal. Yet they are all, without exception, suffering from fewer resources, less funding—it is being slashed year by year—which inevitably impacts on recycling. This morning the Prime Minister said that we will “lead the world”. That was a bold thing to say, and we will all try to hold her to it. However, in the short term, if the processes cannot make money, they could just stop. If there is nowhere to store the stuff, it could just stop. If councils cannot sell on the recyclates they have collected, what will they do then? To quote Simon Ellin again:

“It could be chaos, it really could”.

How did it come to this? We have short-term solutions based on short-term financial benefits, setting aside longer-term environmental damage and paying no attention to risks, including the ability of China to take massive short-term decisions. It is a product of global neoliberal economics and a classic case of its fundamental flaws. There seemed to be good reasons at the time. To quote Brutus yet again:

“Good reasons must, of force, give place to better”.

We now have an opportunity for a better system in a whole range of environmental areas, including recycling. I look forward to the Minister’s reply.

2.18 pm

Baroness Redfern (Con): I thank the noble Lord, Lord Greaves, for bringing this timely debate to the House today following the announcement of the Chinese ban on imports of plastic and other waste. Regrettably, we have relied on China to deal with our waste for far too long—in fact, now for over 20 years. It is therefore important that the Government’s 25-year plan will send a strong message to everyone about the commitment to be the first generation to leave the natural environment in a better state than it inherited.

There is no doubt that public support for recycling is at a real high, as the noble Lord, Lord Greaves, just mentioned, particularly in response to the BBC’s “Blue Planet” series. Britain currently ships around two-thirds—approximately 500,000 tonnes—of its waste to China for recycling each year. With a view to finding new destinations in the short term, UK recycling firms are now having a hard look at other manufacturing countries such as Malaysia and Vietnam. However, we have to begin to manage more of our waste. We are told that the UK uses 13 billion plastic bottles every year, with only 7.5 billion being recycled and the rest going to landfill. That is a massive amount for any country.

We have a real challenge to address not only in the short term but in the longer term, so it is so important that we build a coherent waste strategy with real meat on the bone. There is no doubt that China’s decision will cause some major issues in the short term, as I alluded to earlier, so there will be a need for joined-up working between government, the Environment Agency, local authorities and all other interested parties to carefully manage the situation before us.

People support recycling and want to do all they can to address the problem and help reduce pollution, so it is disappointing to know that recycling rates have plateaued in the last five years. Therefore, consultation with industry is vital on a well-designed deposit return scheme with inbuilt incentives, in particular to stop the accumulation of plastic products in the environment that adversely affect wildlife, wildlife habitat and indeed humans. Industry must take more responsibility for the environmental impact. I know that taxpayers would be willing to pay more for single-use plastics but surely the manufacturers of these cups should bear the brunt. However, I welcome the Waste Infrastructure Delivery Programme, to which the Government will have committed £3 billion by 2042 to support investment in a range of facilities to keep waste out of landfill and increase recycling levels.

The clean growth strategy, published on 12 October last year, sets out an ambition for zero avoidable waste by 2050, cutting the total amount of plastic in circulation, reducing the number of different plastics in use, improving the rate of recycling, supporting comprehensive and frequent rubbish and recycling collections, and making it easier for individuals to know and understand what goes into the recycling bin and what goes into the general rubbish bin. However, that is a long way away, and confusion still reigns in many cases.

[BARONESS REDFERN]

The general public are a captive audience. That was borne out when the 5p charge was put on plastic bags, taking 9 billion bags out of circulation and reducing usage by a whopping 83%, and with more than £66 million being given by supermarkets to good causes from the 5p charge. I certainly look forward to seeing and walking down the plastic-free aisles in our supermarkets very soon. The banning of the manufacture of personal care products containing plastic microbeads only two days ago was a great start.

We are all too well aware of how plastic pollution can unfavourably affect the land, waterways and oceans, with marine animals in particular being affected through entanglement or the direct ingestion of plastic waste, or through exposure to chemicals within plastic that cause interruptions in biological function. I personally find it very difficult to see those heart-rending pictures. We are now witnessing an increase in the volume of plastics in the ocean, with decomposition being slowed down. It is estimated that a foam plastic cup will take 50 years, a plastic beverage holder 400 years, a disposable nappy 450 years and a fishing line 600 years to degrade.

Many UK councils are working hard to increase their recycling rates but others have to raise their game significantly and quickly. England is well down the list of countries in the developed world, ranking 18th and with an average recycling rate of just 42.8%. The time has come to act. The environmental legacy that we leave for our future generations has to be better, so we really must take up the challenge. We have to be bold, we have to improve and manage our recycling, and, in particular, we must take a long, hard look at our future infrastructure now that the Chinese have put a ban on imports of plastic and other waste.

Finally, I hope that this will not be an opportunity missed and that we will see bold new measures being taken in the next few weeks. The situation is indeed urgent. We need the detail and we need the bite. Quite simply, we cannot afford to sit back and wait.

2.24 pm

Baroness Miller of Chilthorne Domer (LD): My Lords, I congratulate my noble friend Lord Greaves on bringing forward this debate. It is not only topical but incredibly timely in view of the fact that the environment strategy was launched today.

My noble friend and the noble Baroness, Lady Redfern, have already mentioned the BBC programme “Blue Planet II”, which has to claim quite a lot of the credit for sensitising the public to just how severe the problem is. However, credit must also go to the organisations that have been working on this issue for years. For example, the Marine Conservation Society has been carrying out beach surveys and looking at the different types of plastic and the build-up of plastic—from the little things used to clean ears, such as Q-tips and so on, through to the big plastic items that we have all seen on beaches. The work of the Marine Conservation Society, Friends of the Earth and Greenpeace has meant that the public have become more and more aware of this issue, even before seeing “Blue Planet II”.

I think that consumers are now willing to act but they face a really confusing scenario. The Prime Minister is quite right: you need a degree in chemistry to interpret what is on the back of some packets. For example, earlier I was looking at the back of a pack of wet wipes. Some people might assume that these wipes are just paper impregnated with liquid, but that is not the case. They contain lots of plastic, which is why you cannot flush them down the loo, and presumably the time they take to degrade is similar to that of a nappy.

Industry, too, will need a big incentive when it comes to considering what to do about packaging. At the moment, the incentive is all on the side of producing packaging that is good for marketing. Therefore, my first question to the Minister is: what sort of incentive can the Government consider to encourage industry so that recyclability is built into the design of products? I shall give your Lordships an example. When you buy a pair of scissors, you might find them just hanging on a hook in the shop with a price tag on them, but all too frequently they are packaged with a cardboard backing and a very hard plastic front so that you need another pair of scissors to cut open the packaging to get to them. Why on earth is that product packed in a plastic bubble?

Retailers could start to demand from industry that items come with less packaging. We must also think about online retailers. For example, if your Lordships have ever ordered a very small item from Amazon, such as a camera, they will know that it comes in a box of immense proportions. It looks as though you are going to unwrap a giant item but the box is filled with polystyrene packaging. For a start, that could be shredded paper instead, but the item could have been packed in a much smaller box and it would, I am sure, still have been quite safe. Plastic-free aisles are welcome but we will have to make sure that they do not just disincentivise getting rid of plastic from the rest of the items in the supermarket.

The Government will have their work cut out. Back in 2010 they set about a bonfire of quangos and regulations, and year on year they have cut funding to local authorities. As my noble friend Lord Greaves pointed out, local authorities do not have any slack. They cannot increase their capacity to run pilot schemes and so on with a view to improving recycling collection rates. The Government should look at why Germany’s recycling rates are so much higher than ours. Germany, South Korea and Slovenia have the highest rates. What are they doing that is so right? Perhaps the biggest blow will be the loss of the EU circular economy package as we face Brexit. That would have been very helpful, and I hope that the Government will still consider adopting it in its entirety.

My second question is: what about biodegradable plastic? I do not have a firm view on it but I understand that it is confusing the issue. On the one hand, biodegradable plastic is made from processed corn starch, but for it to biodegrade it needs to be at 50-plus degrees centigrade. Therefore, it would be ideal to go into an anaerobic digester along with the food that it is wrapping, but if it goes in with other plastics it will mess up the recycling scheme. It was the subject of a UN environment programme report in 2015, which highlighted some of these issues.

Finally, I hope that here at Westminster, and in all public buildings, we will do a few things to ensure that we do not need so many water bottles—for example, there should be more freely available drinking water. Our disposable cutlery should be made of wood, but downstairs in the canteen it is plastic, and straws should be made of paper. There are a number of things we can do. However, if this Government want to leave things in a better state, they do not have the 25 years of the environment plan in which to do so; they have just two or three years at most.

2.31 pm

Baroness McIntosh of Pickering (Con): My Lords, I congratulate the noble Lord, Lord Greaves, on securing this debate, and I draw attention to my interests set out on the register, including my work with the Water Industry Commission for Scotland and as an honorary vice-president of the Association of Drainage Authorities and the Rural Affairs Group of the Church of England General Synod. Also, for five years I had the privilege of chairing the Environment, Food and Rural Affairs Select Committee in the other place.

The question that we must address this afternoon is how to dispose of plastic and other hard-to-dispose-of waste such as wood, packaging and so on. Of the 13 billion plastic bottles used in this country every year, only 7.5 billion are recycled, leaving 5.5 billion to be put in landfill, littered or incinerated. In 2017, 30,000 tonnes of waste paper, cardboard and plastic were exported to various destinations outside the UK from north and east Yorkshire alone. We can, and must, learn from and work with other countries to identify best practice, as the noble Baroness, Lady Miller, said.

The EU circular economy breaks with tradition and moves away from the linear approach of make, use and dispose of products, to that of recover, reduce, recycle and reuse. I have family in Denmark whose domestic and municipal waste is sent to energy-from-waste and distance-warming plants. This brings direct benefit to the local community. For many years, my aunt and uncle have benefited from low-cost heating and hot water. Closer to home, my husband has led the way by gifting me for my birthday a lifetime-use plastic bottle, adding to the heavier glass bottle he gifted me previously. I now realise that I was a little churlish in not thanking him more fulsomely at the time for doing his bit for the environment.

Many of your Lordships will be familiar with SELCHP—the South East London Combined Heat and Power plant. Although it was built, as the name would suggest, for combined heat and power, it was only years following its construction that combined heat and power was triggered to benefit local residents and local councils disposing of waste.

In Denmark, the Danish oil and natural gas industry—DONG, as it used to be called—has successfully fitted distance-warming schemes to the benefit of local communities, and it believes that it could easily retrofit distance-warming schemes in London and other major UK cities. Will the Government examine the cost and potential disruption that that would cause in this country?

What are the issues? In my view, the primary issue is one of public perception. We must move away from the inaccurate and outdated term “incineration”, which the noble Lord, Lord Greaves, himself used, to the more modern and efficient concepts of energy from waste, combined heat and power, anaerobic digestion and other well-known technologies.

For plastic bottles, will the Government look at adopting a self-financing deposit and return scheme as a matter of urgency? The infrastructure needed is minimal and could use the existing facilities of a supermarket, for example. It requires charging a deposit to the consumer at the time of purchase and providing a returns facility, usually a hole in the wall. It will require relevant facilities at which these plastic bottles and containers can be disposed of in an efficient and environmentally friendly manner. Crucially, the initial deposit is then returned to the consumer. Frankly, the cost of producing and disposing of plastics is just too high. Will the Government also address the vexed issue of disposal of waste from businesses in rural areas where the collection distance for outlying businesses is high, as is the cost of disposal in existing facilities?

I have a couple more questions for the Minister. How do we convince the public, who are averse to chimneys and any form of emission, that energy from waste or combined heat and power is a safe, regulated and controlled way of disposing of plastic and other types of waste? Will the Government encourage industry to invest in new technologies for new types of biodegradable plastics that would, for example, degrade when exposed to water in rivers or the seas? Will the Government revisit the producer responsibility obligation with a view to reducing packaging in the first place, and give real teeth to the Prime Minister’s view that plastic waste is a scourge of our time by reducing plastic at the product’s manufacturing source?

Urgent action is required to prevent littering and the pollution of our rivers and seas. I am delighted that north Yorkshire is leading the way by disposing of waste that previously might have gone to landfill but now goes to a local energy from waste recovery plant. I welcome the 25-year environment plan setting out our determination to leave the environment in a better state than we found it and outlining steps for a cleaner, greener Britain. But can I take it as read that we will meet all our existing obligations at the time we leave the EU, including the circular economy package and the existing regulations that are currently being revised? Can the Minister also square the circle of how, in the context of the 25-year environment plan to secure a cleaner, greener Britain, fracking would be allowed anywhere, in particular in the beautiful countryside of north Yorkshire, or above, below or in the North York Moors National Park?

2.37 pm

Baroness Jones of Moulsecoomb (GP): My Lords, I too thank the noble Lord, Lord Greaves, for bringing forward this topical and timely debate, which enables us to give immediate feedback on the Prime Minister’s speech today on the 25-year environment plan. Being an optimist, I had hoped for some concrete measures in the speech, but, sadly, it was underwhelming. I am

[BARONESS JONES OF MOULSECOOMB]

told that it was very lyrical: I did not pick that up. I did spot that absolutely nothing new was said on climate change and there were no strong measures, or even suggestions, for legislative change that could actually make a difference. I do not understand how the Prime Minister can claim that we as a country are leading on climate change when she is about to give the green light to more fracking, we are still banning onshore wind development, we are still trying to build new nuclear power stations and we are giving tax breaks to oil and gas. None of those things will help us have a cleaner, greener, safer planet. At the end of my few words, I will make a few suggestions to the Government for things that could be brought in fairly quickly and would make a difference, so that people like me could then say to the Government, “Well done”. That would be a wonderful day.

I realise that many of us have said similar things today. We are all concerned about the China ban. The ban on recycled waste going to China will lead to a UK pile-up. The big problem for me and many other Greens is that the UK is on the verge of burning more waste than we currently recycle because our recycling is failing for all sorts of reasons. It is not that people care less about recycling—in fact, people care more and more about it and diligently separate their waste—but some councils, perhaps because of contracts that they have got locked into with incinerator companies, pile all the waste back together and throw it into incinerators. The public really do not like that and incineration is not the way forward. The point at which we will incinerate more waste than we currently recycle is getting nearer because of the China ban.

There is a logic to generating some electricity from waste that we cannot recycle or reuse. That is meant to be a last resort, but it simply is not that any more. We have created instead a market-driven system of incinerators that constantly need to be fed. As restrictions have been placed on sending rubbish to landfill, our waste has been diverted into these newly built incinerators rather than into increased levels of recycling. Burning waste is not good for climate change, and there are fears over the health impacts because of the weakness of air pollution monitoring systems.

However, it is the sheer waste of resources through burning that offends me so deeply. Incinerators are the ash-producing products of our make, break and throw away culture and, as such, have to be rethought. I do my best to refuse, reuse and recycle, but sometimes that is difficult. I have sought out shops where you can pick up your vegetables, weigh them yourself and pay at the till. You do not even need paper bags, let alone plastic bags; you can put everything in your big shopping bag. It is possible to do so, and many greengrocers have always done it. It is only the rise of huge supermarkets that has encouraged so much wrapped waste. The classic story about the Marks & Spencer cauliflower steak involved a slice of cauliflower that was wrapped in plastic and put on a plastic base. Organic coconuts have also been wrapped in plastic. If ever a fruit had an impermeable, safe exterior it is a coconut.

The Prime Minister’s speech was underwhelming, without any real sense of urgency to deal with a situation that we all care about. None of us can any

longer say that we do not understand it or do not know what is happening. The design of housing is part of the problem—we had a housing debate earlier—but that is also part of the solution. Green solutions do not encompass only recycling or stopping incineration, they encompass everything. For example, good design of blocks of flats means that people can recycle easily. They can also recycle their food waste which at the moment is being thrown away by nearly every council in London and the UK.

The China ban shows the folly of a strategy that relies on exporting our recycling and burning the rest. A charge on incineration would level the playing field, and that is one of the ideas that I shall put forward. Companies and consumers need a steer and a nudge. It is not enough to urge companies to have plastic-free aisles, you have to legislate for it.

In a spirit of Green generosity I shall list a few measures that could be brought in, some fairly quickly, and would show that the Government are taking the situation seriously. First, on the issue of using less, plastic-free aisles would be wonderful but it should be mandatory and not left simply to urging companies to introduce them. We have to ban plastics that we cannot recycle; they are not a sensible way forward any more. We must bring in an incinerator charge so that companies are paying the true cost of burning valuable resources. We must also ban the building of more incinerators; we have plenty at the moment. We must insist that any materials used by manufacturers and producers have a minimum recycled content, so that they understand the need to use recycled materials. The Government could bring in tomorrow a deposit on glass and plastic bottles, and I look forward to that. Quite honestly, nature does not waste anything—and neither should we.

2.44 pm

Lord Berkeley (Lab): My Lords, I am grateful to the House for allowing me a quick intervention in the gap.

I congratulate China on banning the export of waste. Why should it be the world dumping ground for this kind of waste? We should look after our own waste.

However, there are many other examples to which I hope the Minister will respond. The noble Lord, Lord Greaves, in his excellent introduction, talked about west Africa. However, there was a case—reported only in *Private Eye* because everyone else was threatened with legal action and unlimited fines—of a chemical that was sent to west Africa in such secrecy that anyone who mentioned it would be liable. As the *Daily Mail* reported on 23 April 2017, toxic waste, chemicals, phones, fridges and so on are burned in the most awful circumstances for the people working there. The reason why is that it is cheaper to do that than to recycle in the European Union. I hope the Minister will look at this because it comes down to price in the end.

The same applies to the breaking up of ships on the beaches of India—one of the big growth countries in the world—and Bangladesh. Again, the workers are subject to awful toxic fumes, dangers and so on. What are the Government doing to make the IMO, which is responsible for this, prevent such things happening?

I am pleased that the Prime Minister has made a Statement on the environment today but we need action. I hope that the action taken in this country will set an example to the rest of the world.

2.45 pm

Baroness Bakewell of Hardington Mandeville (LD): My Lords, I, too, am grateful to my noble friend Lord Greaves for securing this timely debate. I declare an interest as a district councillor.

The ban that China has imposed is a wake-up call and requires urgent and sound legislation to ensure that we are not overwhelmed in a tide of plastic, nor our precious landfill sites filled to overflowing with preventable waste. China has quite rightly put its corporate foot down.

We have been lax in separating our plastic waste, with different types of plastics being mixed together. The classification has been confused. Some local authorities provide good leadership; others could do more. The pollutant of the plastic drinking bottle is key. Underground users are encouraged during the summer months to carry a bottle of drinking water with them. This is wise advice as the heat can sometimes be stifling, but does it have to be a single-use bottle?

There has been much discussion in the press about the availability of drinking fountains, with praise for local authorities that have introduced them in their larger parks and recreation areas. When I was a child, every park, no matter how small, had a drinking fountain. The larger parks had plenty to cope with the demand.

The Secretary of State has said that Ministers were reflecting on a proposal from a Commons committee for a 25p charge on disposable cups. Only reflecting? Why not a total ban? Ceramic mugs with rubberised lids are available that are easy to carry and last for many years. It is not difficult for consumers to carry them with them as they go to work and to get them refilled at their favourite coffee house.

I want to see action now on reducing plastics and other pollutants, as do the majority of the public. As we have heard, this morning the Prime Minister launched the eagerly awaited environmental 25-year plan. There is much to commend in the plan and I hope to have the chance to read its 151 pages later today.

However, for us on these Benches it does not go nearly far enough. The Prime Minister has pledged to eradicate all avoidable plastic waste in the UK by 2042. I shall probably be dead by 2042. Yes, I want to be able to say that I played a part in leaving a decent environmental legacy for my children and grandchildren, but I also want to see a great deal less plastic in our rivers, lakes and oceans now, not in 25 years' time.

As we have heard, under this plan supermarkets will be urged to introduce plastic-free aisles. This is a start, but will a busy working mother, with an agitated and bored child in her trolley, have the time to negotiate first the plastic-free aisles and then go back to the other aisles to find the items she needs that are not on the plastic-free shelves? I doubt it. All aisles wherever possible should be plastic free.

The extension of the 5p charge for plastic carrier bags to all retailers in England is long overdue. The Government will fund plastic innovation and commit to helping developing nations tackle pollution and

reduce plastic waste, including through UK aid. I know that this will make a big difference to African nations. I understand that the document will cover many policy areas, including managing land sustainably, enhancing nature and recovering wildlife, and protecting and improving the global environment. All those are important but they are not the subject of our debate today. Like my colleague, I look forward to debating the plan in this Chamber in the near future.

Reducing the amount of unrecyclable waste that is produced in the first place is key. What is needed is recyclable packaging, saving considerable amounts of money and energy while protecting the environment. It is essential to tackle the waste problem at the beginning of its source and journey. The House of Commons Environmental Audit Committee showed in its report published on 22 December last year entitled *Plastic Bottles: Turning Back the Plastic Tide* that progress is being made in some quarters. Defra has announced that maximum litter fines will almost double to £150 from April 2018. New fines will be introduced for the owners of vehicles from which litter is thrown—hurrah, but they are long overdue.

Last December, all 193 countries in the UN signed a resolution to eliminate plastic in the sea. The resolution requires all signatories to start monitoring how much plastic they put in the ocean and to explore ways of making it illegal to dump plastic waste. It is to be hoped that the date for this elimination is not 2042. The drinks industry is moving forward with Lucozade Ribena and Coca-Cola at the forefront, but not all companies are signed up. Legislation, not just encouragement, is required to move them all forward.

This short debate has flagged up just how critical is the need to take action now. I am encouraged that across the Chamber we are all of one mind and one aim, and I look forward to the Minister's response to the many points that have been made.

2.51 pm

Baroness Jones of Whitchurch (Lab): My Lords, I add my thanks to the noble Lord, Lord Greaves, for tabling what has turned out to be a highly topical Question for Short Debate. There is clearly a need for an urgent response to the growing threat of waste mountains with the likelihood that the waste will either stack up or be burned, neither of which is a desirable outcome. I know that a number of noble Lords have made that point. I have to say to the Minister that the Government's reaction so far seems to have been a great deal of talking but not much action. Michael Gove rather gave the game away last year when he was quoted as saying on this issue that he had not given the matter much thought, and I do not take much comfort from the subsequent Written Statement that has been produced. It talks about Ministers working with the various stakeholders and so on, which is fine, in order to,

"understand the potential impact of the ban and the action that needs to be taken".

That is fine, but the problem is here and now, and we have known about it for the last six months. It is not about monitoring or understanding the problem, it needs action now to stop an environmental crisis developing.

[BARONESS JONES OF WHITCHURCH]

The Written Statement also refers to the advice issued by the Environment Agency to exporters. But, frankly, this states the obvious, which is that waste which does not meet China's new standards will be stopped and that alternative methods of disposal should minimise the impact on the environment where possible. Can I ask the Minister whether further advice will be issued to waste and recycling companies about what urgent action they should take to deal with their surplus plastic waste? Also, what response was sent to the letter from the recycling trade associations who wrote to Thérèse Coffey in September urging the Government to send a high-level delegation to China to negotiate a new secondary materials trade agreement? Does the Minister agree with a point that has been raised by every noble Lord who has spoken in the debate: we should no longer be relying on poorer nations to process our waste and instead have an obligation to recycle and reuse our own waste?

Ultimately, the Government need an urgent plan to implement the waste hierarchy, focusing on reduction, reuse and recycling. Of course we welcome the recent initiatives on deposit schemes for single-use bottles and possible charges for single-use coffee cups. We already know from the charge on plastic carrier bags that these measures can be effective and that they are supported by consumers. But we need to do much more to cut down on plastic packaging and ensure that all plastic conforms to a standard that can be easily recycled and reused. I agree with the point made by most noble Lords that consumers are now far more aware of the dangers of plastic in our environment, so the challenge is for manufacturers. They need clear incentives as well as obligations to respond to the public pressure for change.

Along with waste reduction, we need a new focus on reuse. The circular economy is an excellent blueprint to shift business practices so that in the future we will concentrate on extending the useful life of products through resale, repair and refurbishment. All waste should be redefined as a potential resource, with a requirement that its value is maximised. The steps already taken by Scotland and Wales to become zero waste nations are a great example that the UK Government should now embrace and follow. I shall echo the question posed by the noble Baroness, Lady Miller. How do the Government intend to respond to the EU circular economy package which is currently being finalised in the EU? Is it their intention to adopt this directive in full once we have left the EU?

Finally, the Government need to address England's poor performance in recycling. As we have heard, we have one of the worst recycling rates in the modern world and our performance has plateaued. Misplaced localism has led to myriad different collection systems and an unco-ordinated processing infrastructure. We have heard of different examples of how they do it better abroad, something we have all witnessed when we travel. For example, in Germany, nationally all bins are the same and their high-volume production makes the unit costs much cheaper than in the UK. Obviously, that makes economic sense. Meanwhile back in the UK, MHCLG provides grants to councils to encourage weekly collections of residual waste, which incentivises

the wrong consumer behaviours. Moreover, the separation of municipal and commercial waste creates two parallel systems dealing with the same raw materials and encouraging unnecessary duplication.

These are just some of the problems that are holding back our drive to improve recycling rates. We believe that central government need to play a much more interventionist role in tackling these inefficiencies. The Green Alliance estimates that the UK could support around 45 high-quality closed loop plastics recyclers, but again an emphasis on the quality of the plastics is paramount, along with the need for uniform collection systems to make this proposal work. As I said in a debate earlier this week, the Government need to support these developments and provide business support for the technologies that can make them happen. I hope that in his response, the Minister will be able to tell us about the urgent action that is being taken and reassure us about the longer-term strategic vision. I look forward to his response.

2.58 pm

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Gardiner of Kimble) (Con): My Lords, I am most grateful to the noble Lord, Lord Greaves, for securing this debate on the recent China waste restrictions. As a number of noble Lords have said, it is topical and timely following the launch today by the Prime Minister and the Secretary of State of the 25-year environment plan. It makes new commitments on resources and waste, and aims to fulfil our manifesto commitment to leave the environment in a better state than when we found it.

I hope that noble Lords understand that of course I am always keen to debate Defra matters both in this Chamber and outside. It is way above my pay grade to suggest that there should be a debate, but perhaps I may say that I will actively encourage one, and your Lordships' comments today have been most helpful in that regard. However, I hope that noble Lords will also understand that I can say very little more.

So many questions have arisen that in order to do justice to them, I will have to promise to write to noble Lords. In that way I can do justice to all the detailed comments. The 25 year environment plan also commits to eliminating avoidable plastic waste by 2042. I can well accept that no one wants to wait until that year for it to happen and work has already begun. I grant that it is a very small beginning, but as of this week there are no more plastic cups in the House, and in have come glass beakers. This is the sort of example we must set. We have said in the plan that we want central Government to do these things. I am looking around at noble Lords and I have already seen some plastic cups. We need to address these issues ourselves and set an example.

I emphasise that it is a priority globally. China takes more than 50% of the world's waste in paper and plastic. Waste paper and plastic have indeed been important global commodities and the Chinese market has been an important destination. As the noble Lord, Lord Greaves, said, we in this country have been sending 12% of our plastic waste to China. Interestingly, that is 0.4 million tonnes a year. Interestingly, Germany is sending 0.6 million tonnes, and Japan and the

United States are sending 1.5 million tonnes. I am pleased that since 2010 our levels of plastic sent to China has dropped from 0.7 million tonnes to 0.4 million tonnes. The UK also exports a considerable amount of waste paper to China—41%. Based on the information the Chinese have offered to the WTO, our assessment is that mixed plastics and paper will no longer be accepted but there are indications that there are materials, such as old corrugated cardboard, that will not be subject to a total ban.

Since July, when we first heard about the China restrictions, it has been a priority for us to put in place immediate and longer-term actions. The Government continue to clarify the details of the restrictions through the EU and to China via the WTO. I say to the noble Baroness, Lady Jones of Whitchurch, and the noble Lord, Lord Greaves, that the Environment Agency has issued fresh guidance to exporters to ensure that operators are clear on their duties to handle waste, given the restrictions and tighter environmental standards. In addition, it will require fire protection plans for all sites storing any combustible waste.

In addition, we are already seeing evidence that some operators have found alternative export markets. We are also seeing companies embrace new technologies. For example, Viridor has said it is exploring new applications for recycled plastic and opportunities to enhance its polymers investment programme. We are working closely with industry, the Environment Agency, WRAP, local authorities and all interested parties.

In the short term, we recognise the need for new markets. Where new markets or domestic reprocessing are not available, any alternative, such as energy recovery, has to follow the waste hierarchy. Landfill is an absolute last resort. I am interested in what the noble Baroness, Lady Jones of Moulsecoomb, and my noble friend Lady McIntosh said, and in the example of North Yorkshire. Energy from waste provides a valuable contribution to the treatment of waste that cannot be prevented, reused or recycled, and ensures it does not go to disposal in landfill. I am mindful of the importance of this to the environment. I say to both noble Baronesses that the Environment Agency regulates all the energy from waste plants and operators must comply with the emissions limit set by the industrial emissions directive to prevent or limit pollution by emissions into air, soil, surface and groundwater. The Environment Agency inspects such facilities regularly. Also on landfill, since 2010 landfill from England has fallen by 64%—there is more to do, but we are going in the right direction.

Looking to the longer-term investment, under the waste infrastructure delivery programme the Government will have committed £3 billion by 2042, supporting investment in a range of facilities to keep waste out of landfill and improve recovery of waste. That is obviously a continuing investment as facilities are opened. This is not about this happening in 2042, but about a continuing programme.

We have also published a number of recent strategies with a spotlight on resource efficiency—for example our recent litter strategy, which aims to have substantial reduction in litter and littering behaviour. The noble Lord, Lord Greaves, and the noble Baroness, Lady Jones of Whitchurch, were absolutely right to refer to

the waste hierarchy and the circular economy. The new resources and waste strategy will build on the firm foundations of the waste hierarchy and our commitment to increased resource efficiency, and to move to a circular economy. In autumn last year the clean growth strategy set out our ambition to have zero avoidable waste by 2050 and announced that we are exploring changes to producer responsibility schemes. The detail of this will be set out in the resources and waste strategy.

On biodegradable plastic, which the noble Baroness, Lady Miller, referred to, we are committed in the 25-year environment plan to look at technological changes. This is a particularly interesting area. The noble Lord, Lord Greaves, mentioned our liaison with BEIS, which is very important. We worked with BEIS very closely to develop the contribution to the industrial strategy, which is also about an ambition to double resource productivity by 2050.

A number of noble Lords referred to the Government's call for evidence on managing single-use drinks containers. Our working group will report to Ministers shortly. I cannot prejudge what it will say, but I look forward to it very much. We are also working with the Treasury on a call for evidence this year, seeking views on how the tax system or charges could reduce the amount of single-use plastics waste.

My noble friend, Lady Redfern, is right to speak about the 25p charge on single-use plastic, which, as has been said, we are looking to expand in the 25-year plan, and the ban this week on microbeads in cosmetic products. This is part of action now that we need to build on. I particularly say to the two noble Baronesses, Lady Jones of Whitchurch and Lady Jones of Moulsecoomb, that I think what the Secretary of State outlined as his four-point plan when he chaired the industry round table on plastics is where we should be on tackling plastic waste and I hope your Lordships will agree: cutting the total amount of plastic in circulation; reducing the number of different plastics in use; improving the rate of recycling; and making it easier for individuals to know what goes into recycling bins and what into general rubbish. This is the way we need to work, with rigour.

As the China restrictions come into force we will continue to devote our energies here and abroad on this issue to ensure we not only manage this in the short term, but bring forward new solutions, such as through new technologies. My noble friend Lady McIntosh also raised this; I am interested in the plastic technology platform as part of the funding to support the industrial strategy, which is hugely important. The Chinese decision underlines why progress is imperative. We must reduce the amount of waste we produce overall. I agree with the noble Lord, Lord Berkeley, and other noble Lords that we need to reduce the amount we are exporting around the world.

We all need to play our part—government, industry, stakeholders and consumers—to ensure that we use our raw materials wisely, produce less waste and increase our recycling and recycling standards at home, adhering to the waste hierarchy. I endorse what the noble Baroness, Lady Miller, said. It is right that we record the inspiring

[LORD GARDINER OF KIMBLE]

work of interested organisations that, year in, year out, have worked on these matters. The outcome of the 25-year environment plan, alongside the clean growth strategy, the industrial strategy, the litter strategy and the forthcoming resources and waste strategy are all where we have to show that there is action in a progressive fashion, now, in the medium term and the long term. But I am absolutely clear that the fulfilment of all these will have a profound and beneficial impact on the planet and our environment. I believe—this is why I look forward to future debates in this honest adventure of a better planet and a better country—that there is so much of what has been discussed by your Lordships on which we can surely all unite.

Social Media: News

Motion to Take Note

3.09 pm

Moved by Baroness Kidron

That this House takes note of the role played by social media and online platforms as news and content publishers.

Baroness Kidron (CB): My Lords, it is a great privilege to open a debate with such a broad range of informed speakers to follow. The question in front of us produces a number of interrelated and extremely important issues. I shall not attempt to cover them all but, instead, simply to set the scene for the detailed contributions that are to follow.

The interface between humans and information, be it visual, graphic, moving images, sound or text, is as long as our history. Our understanding of what to expect from those interactions is seen through the prism of technological innovations, cultural understanding and legal frameworks. It is encapsulated by the concepts of broadcast and publishing.

In this long history, the online service providers are an anomaly. The military and academic labs where the web originated were home to groups of skilled and active participants in an open web who saw the potential of decentralised networked computers as liberating and democratising. This was a physical network; these were academics and computer scientists bound by cables, not commerce. They did not consider themselves publishers, nor responsible for the content of others.

This view was almost immediately contested and overturned by early court judgments, but founders of the nascent platform successfully fought back. Citing the First Amendment, they insisted that their network of small networks had no controlling force and that the occasional misuse or obscenity was a small price to pay for a world with no gatekeepers.

The US “safe harbor” provisions in Section 230 of the Communications Decency Act 1996 allowed online service providers to host, hold and transfer information with no liability for content. This principle was mirrored around the world, including in the e-commerce directive of 2000 that codified online service providers as “mere conduits”. This was Web 1.0.

Much of the internet’s utopian promise came true. But what nobody anticipated, including its founders, was how rapidly it would become highly commercialised. Ironically, the “safe harbor” provisions of Section 230, established to protect the common good from a few dissonant voices, now work against that common good. Those who publish online are incentivised to categorise themselves as online service providers in order to benefit from having no liability for content. It is a commercial advantage that has seen the exponential rise of a vanishingly small number of companies with unparalleled power, no collective oversight and unlimited piles of cash. This is Web 2.0, and it is in that context that we are having our debate.

Amazon has set up a movie studio. Facebook has earmarked \$1 billion to commission original content this year. YouTube has fully equipped studios in eight countries. The Twitter Moments strand exists to, “organize and present compelling content”.

Apple reviews every app submitted to its store, “based on a set of technical, content, and design criteria”.

By any other frame of reference, this commissioning, editing and curating is for broadcasting or publishing.

In giving evidence to the Communications Committee on 19 December, representatives of Facebook and Google agreed that the vast proportion of their income comes from advertising—87% and 98% respectively. This advertising is embedded in, pops up in between and floats across the content that their users engage with. Sir Martin Sorrell, chief executive of WPP, was clear what that means when he said that,

“Google, Facebook and others are media companies ... They cannot masquerade as technology companies, particularly when they place advertisements”.

In common with publishers and broadcasters, these companies use editorial content as bait for advertising. They aggregate and spread the news, and provide data points and key words: behaviours that determine what is most important, how widely it should be viewed and by whom. In common with news publishers, they offer a curated view of what is going on in the world.

The Silicon Valley companies are content creators, aggregators, editors, information cataloguers, broadcasters and publishers. Indeed, severally and together they publish far more media than any other publisher in any other context—but, in claiming to be “mere conduits”, they are ducking the responsibilities that the rest of the media ecosystem is charged with.

The media is understood to be a matter of huge public and social interest because it affects common values, certain freedoms and individual rights. For the same set of reasons, it is subject to a complex matrix of regulatory and legal frameworks. But publishing and, by extension, broadcasting are not only legal and commercial constructs but cultural constructs with operating norms that reflect a long history of societal values and expectations, one of which is that those involved are responsible for content. They are responsible because, traditionally, they make large sums of money; they are responsible because they juggle those commercial interests with editorial interests; they are responsible because, within those editorial interests, they are expected to balance freedom of expression against the vulnerabilities, sensitivities and rights of the individual;

and they are responsible because they are a controlling force over the veracity, availability and quality of information that is central to the outcome of our collective civic life.

In November, there was an outcry after a journalist reported that algorithms were auto-suggesting horrific videos to young users of YouTube Kids. Google's response was not proactively to look at the content on its kids' channel but to ask users to flag content, thereby leaving it to pre-schoolers to police the platform. Google did not dispute that the videos were disturbing or that the channel would be better off without them, but in its determination to uphold the fallacy of being a "mere conduit", it was prepared to outsource its responsibilities to children as young as four and five.

Whatever the protestations, this is not a question of free speech; it is a question of money. The Google representative giving evidence to the Communications Committee said that to moderate all content on YouTube would take a workforce 180,000 people. Irrespective of the veracity of that statement, for a publisher or broadcaster, checking that your content is safe for children is not an optional extra; it is a price of doing business, a cost before profit. In October last year, Google's parent company, Alphabet, was worth \$700 billion.

I am not suggesting a return to a pre-tech era; nor am I advocating censorship. The media environment has never been, and hopefully will never be, home to a homogenous worldview. Nor should one romanticise its ability to "do the right thing". It is a changing and fraught public space in which standards and taste are hotly contested and often crushingly low. But editorial standards and oversight, retraction, industry codes, statutory regulation, legal liability, and parliamentary oversight are no hazard to free speech. On the contrary—as information technologies have become ever more powerful, in democracies we demand that they uphold minimum standards precisely to protect free speech from powerful corporate and political interests.

The advances and possibilities of the networked world will always excite and will hopefully, in time, answer some of society's greatest needs—but these companies occupy a legal space on a false premise, giving them a commercial advantage based on their ability to publish with impunity. That in turn undermines other media, threatens plurality and increasingly contributes to an insupportable cultural environment fuelled by a business model that trades attention for advertising revenue.

Sean Parker, co-founder of Facebook, said that when setting up Facebook the question on the table was:

"How do we consume as much of your time and conscious attention as possible?"

The answer was that,

"we ... give you a little dopamine hit every once in a while, because someone liked or commented on a photo ... to get you to contribute more content ... It's a social-validation feedback loop ... exploiting a vulnerability in human psychology".

The hermetic spiral of content ends in ever more polarised views as users become blind to other perspectives, denuding us of a common space. The result is the

abuse of public figures and the spread of bullying, hate and misogynist content at unparalleled levels. The ad revenue model fails to compensate content creators adequately and we have seen the wholesale collapse of other creative industries, the long-term cultural costs of which we have yet to calculate.

In the battle for our attention we have seen the weaponisation of information to political ends. While nothing new in itself, the commoditisation of political narratives and the lack of accountability has promoted a surge of fake news, locally and internationally funded, and with it comes a democratic deficit. This was frighteningly illustrated by the outcome of a Channel 4 survey last year in which fewer than 4% of people were able to correctly identify false news stories from true. The cost goes beyond the cultural and political. Our attention is secured by an eye-watering regime of data collection and with it a disturbing invasion of privacy and free will. The insights and potential for social and political control enabled by unfettered data profiling without redress or oversight undermine our human rights, our rights as citizens and the need for privacy in which to determine who we are as people.

The appropriation of our personal data is predicated on the use of intellectual property law. The very same companies that rigorously avoid editorial standards and regulatory responsibilities for content are happy to employ the protection of terms and conditions running to hundreds of pages that protect their commercial interests. The cherry picking of regulatory structures is at best hypocritical. Lionel Barber, editor of the *FT*, suggests that we "drop the pretence". In a soon to be published paper from a group of industry insiders comes the suggestion of a new status of "online content provider", with an accompanying online responsibility Bill and a new regulator. But perhaps, just as the arrival of networked computers led to a new legal status of "safe harbor", the arrival of networked tech conglomerates requires an entirely new definition, based on the interrelation of society and technology.

Because, while big tech has yet to wake up to the societal responsibilities of its current businesses, the rest of us are hurtling towards Web 3.0: a fully networked world of smart homes and smart cities that will see the big five companies—seven if we include China—monopolise whole sectors and particular technologies, controlling both demand and supply, mediating all our behaviours and yet remaining beyond the jurisdiction of Governments.

We must never forget the extraordinary potential and social good in the technologies already invented and in use and in those still emerging, including publishing at a grand scale. However, while the internet is young, it is no longer young enough to be exempt from its adult responsibilities. This is no longer an industry in need of protection while it incubates. These are the most powerful companies in the world.

In finishing, I ask the Minister to tell the House whether the scope of the Government's digital charter will include a review of the legal status of online service providers and an ethical framework for content. Perhaps he will also say whether he agrees with me that the same standards and responsibilities should apply to the media activities of online service providers

[BARONESS KIDRON]

in parity with other media players. Finally, what steps are the Government taking to create an international consensus for a global governance strategy for online service providers? I beg to move.

Viscount Younger of Leckie (Con): My Lords, I may sound like a long-playing record, but in this debate we have just a few minutes to spare on timings. I ask that every Back-Bench speech concludes as the clock reaches four minutes, as otherwise the wind-up speeches may have to be shortened.

3.24 pm

Baroness Harding of Winscombe (Con): My Lords, I thank the noble Baroness, Lady Kidron, for creating this opportunity for a hugely important debate. It seems to be my lot to follow her in a number of debates where she speaks so eloquently and passionately about the importance of protecting the vulnerable in the digital age. Since she has set out so clearly the challenges and problems of civilising the digital space, I will start by reminding us all of the opportunities and the value. Social media is something that the vast majority of the world now loves. We, our children and grandchildren and our parents and grandparents in various different ways all use it for good reason—because it adds real value to our lives. We and they genuinely enjoy the privilege of being able to communicate directly with whoever we want without any intermediation. As we think about the downsides, it is important that we put it in the context of the upsides and the huge possibility and opportunity that social media gives us all.

The technology itself really is morally neutral. It is what we as human beings do with it and how we configure it that drives the good and the bad. Clearly, we have to face into the bad. I am troubled by the trade-off of choosing between platform and publisher. I worry that we are ascribing old-world, analogue labels to a new-world digital phenomenon. It is akin to looking back 100 years and asking, is the car a bicycle or a train? It is neither and both. Instead of trying to look for an old world analogy, we have to really get into the detail of the new-world risks and opportunities, otherwise we just polarise the debate. I do not think it is a surprise that the biggest proponents of the publisher analogy are old-world publishers themselves, or that the biggest proponents of the platform analogy are the new media companies themselves. Methinks both of them have vested interests in this debate and we need to get into the detail properly of what is the potential and actual real harm that is happening in this new digital space.

For social media companies, this needs to be much more than fine words. I often think the sole job of the big social media companies, ably represented by very talented people in the UK, is to say no politely to every real request for change. At best, we get fine words and some money donated to education campaigns. What we do not get is what the social responsibility of a social media company ought to be, which is to roll up its sleeves and dedicate its really scarce resource, which is the engineers that develop the technology, to configure so that we can have the good and mitigate

the bad. It will require genuine changes to the technology to have both, rather than just to polarise the debate. That is how we will tackle illegal extremist content, fake news, child protection and the protection of intellectual property rights in the space—by real technology changes.

The social media businesses, as the noble Baroness, Lady Kidron, has set out—the biggest, most profitable, arguably most successful companies of this millennium—have the resources and need to start putting them to work on these subjects. If they do not, we need to be willing and able to legislate to make them. It is a responsibility on us as legislators, and for government itself, to make sure that we get enough into detail that we are not ourselves conned into the Punch and Judy show of publisher versus platform but instead get into the detail of what can practically be done to ensure that we lean into the benefits of the new technology but protect the vulnerable and protect some of the most important things in our society, our very democracy and our freedoms, as a result.

3.28 pm

Lord Puttnam (Lab): My Lords, I thank the noble Baroness, Lady Kidron, for making this debate possible. She, along with the noble Baronesses, Lady Benjamin and Lady Harding, and others have performed off-stage heroics recently on behalf of young people in this country. They do it by continually looking to the future, rather than harking back to “Muffin The Mule” and the golden age of “Blue Peter”.

I teach media studies weekly in a number of universities in this country and overseas and I recently made a slide for my students that simply states, “Fake news is a wrecking ball”. I go on to explain that democracy is a fragile concept, and that, just like a wrecking ball, fake news once released is blind to the destruction it causes: destruction to facts, to complexity, to reputations and therefore to that most valuable commodity of all, trust—or, as the noble Baroness, Lady O’Neill, has taught me, to trustworthiness.

The *Times* columnist Hugo Rifkind set off something of a firestorm just before Christmas when he rightly called out the complicity—albeit possibly careless—of Twitter, Facebook and others in the enabling role they played in the distortion of news through social media prior to both the EU referendum and last year’s general election. I very much liked his closing line:

“Our political class needs to stop rolling their eyes and start paying attention. If the facts don’t move them to care, maybe the humiliation will”.

I believe that humiliation is about to break over us in the form of ever more conclusive evidence of the degree of pernicious activity that went into achieving Vladimir Putin’s wet dream: Britain’s detachment from the European Union, and I stress “Union”.

Last year the Data Protection Commissioner, Elizabeth Denham, started a formal investigation into the use of data analytics for political purposes. She said this recently:

“It’s a complex and far-reaching investigation, involving over 30 organisations including political parties and campaigns, data companies and social media platforms ... A number of organisations have freely co-operated with us, answered our questions and engaged with the investigation. But, others are making it difficult. In some instances we have been unable to obtain the specific

details of work that contributed to the Referendum campaign and I will be using every available legal tool and working with authorities overseas to seek answers on behalf of UK citizens”.

She said that she had been,

“forced ... to invoke our statutory powers to make formal demands for information”.

That is pretty serious stuff.

This is made all the more serious when we consider the outcome of research recently conducted by the University of Stanford Graduate School of Education, which revealed that 80% of middle-school students could not distinguish between real news and content paid for by an advertiser. Sam Wineberg, the author of that report, said at the time of its release:

“Many people assume that because young people are fluent in social media they are equally perceptive about what they find there. Our work shows the opposite to be true”.

This is not helped by the fact that in 2015, 64% of nine year-olds in the US were found not to read at or above proficiency levels. Before any complacency is allowed to set in, it is worth noting that our figures are not much better. So, what do we do about it?

Time does not allow me to go into too many possible solutions, although some exist. I recommend that anyone interested checks out the website of a five year-old organisation named Newsela, which seeks to address this problem in the classroom by using news content as a teaching tool. It has licensing arrangements with, among others, the Associated Press, the *Washington Post* and Bloomberg. Encouraging the use of the best and most reliable news content as a classroom resource at primary level could, in my judgment, do very little harm and possibly a great deal of good.

Finally, there are a number of other ways in which trust could be developed and the worst impacts of social media reduced, but to do that will require the wholehearted attention of the Government in general and the Department for Education in particular. This is not simply a problem that needs to be addressed. It is a very real present-day crisis and one that deserves to be taken far more seriously.

3.33 pm

Baroness Scott of Needham Market (LD): Until the last decade, media platforms were pretty much locked into a one-size-fits-all broadcast model. Success with advertisers depended on producing content that would appeal to the widest possible audience. The recent development of tablet and smartphone technology has been the game-changer, creating a delivery system available pretty much everywhere, 24 hours a day, along with highly personalised and segmented channels.

We are in a wonderful new world of information, education and communication but, as we have heard, there are also serious downsides that we have to address. In a powerful article in this month’s *Washington Monthly* an early investor in Facebook, Roger McNamee, describes how the algorithms created by Facebook analyse your responses to what you see and then give you more of the same. He argues that negative and hostile messages provoke the strongest responses and demonstrates how these have been used in the referendum campaign here, as well as in the French, German and US elections.

Tristan Harris, formerly of Google, has talked about the public health threat from social networks such as Facebook. He calls it “brain hacking”.

We are legislators and we like to legislate: if you have a hammer, all problems tend to look like nails. Widespread, piecemeal legislative change is not the whole answer here. We need to ensure that our education system builds in an awareness of issues such as privacy and safety online, harassment and bullying, as well as critical analysis of the news. The major platforms must do more to create fake news warnings. Education about how data is used could create more pressure from users for transparency about how their data is used. I do not think most users of social media recognise that they are not customers; they are the product. The terms on which users engage—the permissions—should be rebalanced in their favour. Ideally data should belong to the users, not the platforms, and its use should certainly be time-limited.

There are some signs that things are beginning to change. An article in this week’s *Politico* notes that,

“a growing number of internet users are turning to new applications and tools that prevent companies and governments from building up a profile of them”.

This is in its infancy and mostly in the business sector but I believe that more will emerge. Education needs to extend beyond school and should definitely include legislators. We—I include myself in this—are not sufficiently well equipped to make judgments in this area. In New York, a city council member called James Vacca promoted a Bill to provide greater transparency of the algorithms now used to determine how public services are allocated. He has recognised that transparency in this area is a key to modern political accountability.

There is also the issue of net neutrality, currently provided for by the EU regulation on open internet access. This means that ISPs cannot block or slow down data for competitive or commercial purposes. Post Brexit, we need to ensure that companies selling content and services are not able to reduce consumer choice by abusing that position.

To end on a positive note, Reuters business news carried a story on Tuesday about how some investors in high tech are becoming increasingly concerned about the addictive aspect of their activities and their impact on children. They are changing their investment patterns accordingly. Pressure on institutional investors to pressurise the digital giants could have a significant impact. That would be especially true for the huge public sector pensions around the world.

As I left to come over for this debate, I received an invitation from the Westminster Abbey Institute to a talk about truth in politics and the ethics of negative political messaging in social media. Perhaps we should all go.

3.37 pm

Viscount Colville of Culross (CB): I declare an interest as a series producer at ITN Productions. I too thank my noble friend Lady Kidron for securing this timely debate.

I am concerned by the rapid decline of quality journalism in this country and across the western world. The way social media platforms operate means

[VISCOUNT COLVILLE OF CULROSS]
that factually based journalism is under attack as never before. That is bad enough, but the way that news and views are disseminated on these platforms is creating an echo chamber. It excludes diverse voices and exaggerates the opinions people already hold: this is the filter bubble. I fear that it causes increasing political polarisation, which we see across the western world—a popularism fed by social media, where emotion triumphs and reasoned discourse is defeated.

The problem lies in the failure of social media platforms such as Facebook to value the quality of the content their users are viewing. Their main concern is the number of eyeballs and the length of time they engage with the platform, so that they are exposed to the adverts that almost entirely finance these companies. As these platforms become the dominant medium by which a whole new generation receives its news, this must be of the greatest concern to noble Lords. Of course, listening to your friends, or sympathetic points of view, is what we all do and what humans have always done. We want to rely on people we know and trust. But people inevitably pass on information that amuses or shocks them, rather than wholesome pieces of impartial information.

This has been exacerbated in the case of Facebook by the changes it has made to its algorithms. In June 2016, one such change meant that the “likes” of friends and families superseded the users’ own preferred pages, the aim being to engage the user ever more deeply with others on the platform and keep them viewing for as long as possible. However, it is very difficult for independent researchers outside the platforms to find out about these changes in algorithms and their effects. The information is closely guarded by the social media companies and all research is carried out in-house with an inevitable conflict of interest, which discredits the findings.

Independent research has been carried out into the way users consume news on Facebook. Dr Shan Wang of Harvard University found that half the people surveyed saw no news in their first 10 posts, and that was a very loose term for news: it included celebrity gossip and sports news. Only 1% of the users had news stories as their majority content. Of the news that they received, more than half came from friends and only 4% directly from the publishers.

It is a far cry from what is now called the “legacy media”, or the quality newspapers in which specialist journalists curate content. Some of this quality journalism does indeed appear on the platforms, but it is taken out of context and is just another piece of disconnected information among a raucous raft of considerably less reliable sources. Facebook’s “instant article” is a method by which the platform exposes users to a range of news outlets. However, it is hard to discern the provenance of the information. High-quality publishers are placed alongside websites peddling rumour and lies from some very dubious sources. Not only is much high-quality journalism suffering as newspapers’ advertising revenue reduces as it transfers to the platforms; the impact of such content is being dramatically diminished.

I am also concerned about the effect of user preferences on the role of British broadcast journalism in this environment. The temptation must be to loosen the

constraints of impartiality in a world where opinion is king, but I would argue that Ofcom and the BBC must hold fast so that impartial content can be shared and passed on to friends and family. These sources of trusted and fact-checked information underpin our democracy and secure its future. Recent research by the Reuters Institute for the Study of Journalism at the University of Oxford shows that impartial broadcast news in this country creates trust and acts as a bulwark against polarisation. It compares very favourably with the lack of trust Americans have in their media, which has no place for impartiality and is driven by editorial bias.

The 2017 Conservative Party manifesto declared:

“We will be consistent in our approach to regulation of online and offline media.”

We must ensure that the filter bubble does not cut the people of this country off from diverse news, opposing views and even opinions that might offend them. If social media platforms do not take more responsibility for their content, alter their algorithms accordingly and go much further in curating their content, I fear some kind of third-party regulation will be required to intervene in the closed world of social media platforms.

3.42 pm

The Lord Bishop of Gloucester: My Lords, I thank the noble Baroness, Lady Kidron, for obtaining this debate. I, too, thank her for her tireless work in this area.

Social media and online platforms now play an enormous role in shaping national dialogue and accepted social standards. In my visits to primary schools and secondary schools in the diocese of Gloucester, I have spent time talking with children about social media, and I affirm all that is good. Yet, as children progress to secondary school, their view of themselves and the world is increasingly being shaped by social media and online platforms. Young people are receiving strong messages about worth being about looking a certain way and about success being measured in online likes. Furthermore, their fears about the world they are growing up in are being fuelled by what they read online.

The content we consume shapes how we see ourselves, other people and the world. It is no longer sufficient for social media and online platforms to cling to a simple dichotomy of platform versus publisher in order to escape responsibility for the content they promote and share. While previous generations’ engagement with media might have been limited to print media and television broadcasts regulated by formal standards and watersheds, modern consumers, including children, are exposed to huge swathes of unregulated content. Research conducted by the UK Safer Internet Centre in 2016 found that more than 80% of the teenagers surveyed had seen or heard online hate about a specific group.

While we would be foolish to think that we can legislate for human relationships, we have a responsibility as parliamentarians to create legislation that protects the vulnerable and promotes the kind of society we desire to live in, particularly given problems we have been hearing about around hate speech, fake news and extremist content online. The Communications Committee

of this House last year produced an extremely valuable report *Growing Up with the Internet*, and I hope that the Government will take heed of the need for there to be a requirement for firms proactively to develop software to identify and remove harmful content as well as to ensure that design is child-friendly with default settings to protect children's privacy and safety. I am very disappointed that the Government have chosen not to accept the recommendation of an independent children's digital champion. I would like to know how there will be effective accountability without that.

I would also like to draw attention to the recent review *Intimidation in Public Life* published by the Committee on Standards in Public Life. It has a number of helpful suggestions, and I hope that the Minister can assure us that the Government will accept them, in particular, a requirement for social media companies and online platforms to publish quarterly reports on their progress on removing reported content. It would also be good to know from the Minister whether there are plans to monitor the implementation of the legislation in Germany that will fine firms which are insufficiently quick to remove illegal content identified by users.

Alongside the need for such legislation, it is good to know that the BCS, the chartered institute for IT, is endeavouring to facilitate solutions-focused dialogue between social media companies and political parties. I understand that Twitter and Facebook have opted in, and I hope that there will be participation across all political parties. I also hope such dialogue will contribute to legislation rather than being a completely alternative path.

I am grateful for today's debate and sincerely hope that the outcome of our discussions will have a real impact on how we relate to one another online.

3.46 pm

Lord Vaux of Harrowden (CB): My Lords, I add my congratulations to my noble friend Lady Kidron on securing this important and timely debate. The social media industry is evolving very quickly and, as we have heard already, reality has overtaken the traditional ways of looking at news and publishing.

The large social media companies have become an important source of news for many people—indeed, for younger people, it seems they have already become the main source of news. A small handful of social media companies now have a dominant position and are driving advertising away from traditional news outlets. This dominance has been strengthened further as a result of consolidation amongst the big players, such as Google's acquisition of YouTube or Facebook's acquisitions of Instagram and WhatsApp. Indeed, Google and Facebook now command a level of dominance over the media industry and advertising revenues that Rupert Murdoch could only ever dream about—Facebook has more than 2 billion active users.

Increasingly, these social media companies are actually determining what news we see. Whether this is purely by algorithm or by human intervention makes no difference—they are still choosing the stories that

we read. We have to question the extent to which advertising, both overt and covert, influences what the social media companies show us. Sensationalist “fake news” stories generate more hits and therefore more advertising revenues. There is little commercial incentive for these largely unregulated companies to police this, and the record of them doing so, so far, is very poor. That said, there are some welcome signs that the big players are starting to understand that they have responsibilities. The arguments made by social media that they are simply technology companies with no responsibility for what happens on their platforms are looking increasingly threadbare. Some regulation is, unfortunately, now necessary.

However, there is a spectrum here. Should a closed family WhatsApp group be regulated in the same way as a curated newsfeed? Should a small specialist chatroom, run by enthusiasts, discussing, say, hockey, be regulated as a newspaper? I would suggest not. We need to find a balance. Regulation as news and content publishers only solves part of the problem. For example, filter bubbles exist just as strongly in traditional media: many people read just one newspaper of a particular political colour. Education to encourage young people to question what they are reading is therefore, I believe, of fundamental importance. Social media can be a force for good here and provide access to a greater variety of sources, if done properly.

A key question from my point of view is why many people seem willing to behave online in a way that they would never do to people's faces—bullying, hate speech, trolling, even death threats. I suspect that this may be due, at least in part, to the culture of anonymity that pervades social media. I do not have an easy answer to that. There is a strong argument that anonymity is important for freedom of speech, particularly in situations where dissent is dangerous. But it seems to me that, in addition to recognising the reality that the social media giants have become, in part, publishing companies, we also need to look very closely at the question of online anonymity.

3.50 pm

Lord Black of Brentwood (Con): My Lords, I join others in thanking the noble Baroness for securing this very important and timely debate. As it impacts on the media, I declare my interest as executive director of the Telegraph Media Group.

The digital revolution has been the most extraordinary transformation in the way that knowledge and news are transmitted since the arrival of the printing press in the 15th century, when information housed for centuries in manuscripts in monasteries first became publicly available. The result was an eruption in learning from past texts, theological ideas and astronomical theories that changed the world. Now we have a second shift in knowledge, which is just as powerful as that, with an explosion both in the production of content and in global access to that content, which has changed out of all recognition the way we communicate, do business, assimilate news, and indeed think and act. The next revolution, in artificial intelligence, will mark a further fundamental shift in the use of that information. The consequences of that are impossible to predict.

[LORD BLACK OF BRENTWOOD]

I welcome all that because anything which spreads knowledge across the globe is a good thing, but we have to be clear at the same time about the consequences for our society and our democracy. The giants that have powered this—Google and Facebook—are barely two decades old. They started off, as the noble Baroness said, as tech companies and, quite rightly in my view, were able to undertake the early exploration of the potential of the internet and the digital world largely free of regulation or legal restraint. But the world has changed fundamentally in those 20 years and these companies have in effect become public utilities. As we heard just now, Facebook's active users now number over a quarter of the world's population. For the commercial media, and the existence of an independent press, that has profound consequences because of the migration in advertising spend. As the noble Baroness also pointed to earlier, ad revenues have shifted dramatically online. It is estimated that, by 2020, more than 70% of all advertising spend will be with just Google and Facebook, with programmatic advertising fuelling fake news sites and other harmful content.

Ironically, the best antidote to the problems we have encountered with fake news is a free and independent media, which must remain the custodian of democratic debate and scrutiny. News media publishers therefore have a vital role to play in online content creation—indeed they are already the biggest investors in it. Nearly 60% of investment in UK original news content comes from newsbrands, and publishers now invest at least £100 million in digital services. But the companies benefiting from that investment are of course the global tech giants which rely on content from newsbrands to power their services. Content from UK news brands drives around a billion social media interactions a year, and eight of the top 10 most shared UK websites on social media were UK news media sites. As the *New Statesman* succinctly put it recently,

“most media organisations are now tenant farmers on Facebook's estate”.

So we have the irony that the advertising revenues that fund the trusted news that people want are diminishing rapidly and its providers are heavily regulated, while the platforms and the social media that feed on them are almost wholly unregulated and growing exponentially. That disparity will be made much worse as a result of the amendments to the Data Protection Bill that the House passed last night—I had to say that just for the sake of the noble Lord, Lord McNally. Not least as a result of that, the stage is set for the growth of fake news here, fuelled by advertising supply chains described recently by Marc Pritchard of Proctor & Gamble as “murky at best”.

In conclusion, technology has changed the face of the world and, in spreading knowledge and information, has been a source of great good, but with power comes responsibility, and it is surely the responsibility of all those involved in regulation and lawmaking both to ensure the financial sustainability and independence of free media producing real news in this country and to tackle the issues of liability for illegal content, enforcing copyright and defamation and ensuring the fitness and transparency of the advertising supply

chain that will ensure that real, verified news continues to thrive as part of a diverse and vigorous digital environment.

3.55 pm

Lord Knight of Weymouth (Lab): My Lords, the noble Baroness, Lady Kidron, made her case brilliantly, and I join others in saluting the leadership that she is showing the House by raising these issues and getting action in the Data Protection Bill. Her vision is exactly the opposite of that we see in the United States from the FCC in ending net neutrality, which is taking that country into such a dark place in this context.

I remind the House of my interests in respect of my employment at TES Global, which is both a publisher of what used to be known as the *Times Educational Supplement* and the provider of a substantial platform for teachers to find jobs and share teaching resources, so I find myself on both sides of the false argument, as described by the noble Baroness, Lady Harding. Indeed, I am also an avid user of social media. On the way in here, LinkedIn told me to congratulate one Ray Collins on seven years working at the House of Lords, which I am of course happy to do.

Social media and user-generated content are here to stay. I do not believe it is possible to pre-moderate all the content shared all the time. If we were to ask social media companies to do so, it would be an extraordinary barrier to entry for anyone wanting to create competition in this space, which I think we would want if we want the sort of new tools and platforms described by the noble Baroness, Lady Scott. But I do not disagree that we need to do much better, especially on content accessible by children. It needs new policy thinking and a regulatory solution that respects the consumers' desire to share digital content and their need for trusted content and providers. My view is that tech companies are media companies, but that does not mean that the regulatory regime for traditional media is appropriate or in the public interest. Like the noble Baroness, Lady Harding, I think we need a new regulatory regime for online service providers.

The media need to keep evolving their business model, and will need new models of regulation, away from monetising content to generating traffic and data for other purposes within the business, in a new environment regulated by the GDPR. I also think that it is in the interests of the likes of Facebook to ensure that advertising revenue is fairly shared with the media companies whose content is widely shared for free on their platforms. I am told that they are having those conversations; I hope that we will get concrete action.

I also echo the point made by the noble Baroness, Lady Harding, about engineering time. Perhaps Google should extend its famous 20% time to a percentage, let us say even 10%, of its engineers' time to help solve some of these problems.

The issue of fake news is, of course, ringing large in our ears. I am interested in how France's President Macron is suggesting regulation of social media platforms during election periods. Perhaps we could restrict sharing to Ofcom-regulated news outlets, I do not know. We will have to see how that and the German experiment work.

Fundamentally, I would love to have a counterpoint on social media to my echo chamber. If I could press a button and see that, it would help my sense of what is going on on the other side. We need accountability, not always up to regulators but sometimes down to users. We will get some thanks to the Data Protection Bill. There is the right to explain and some data mobility measures provide accountability. I am also interested in data trusts and the politics of data. Perhaps we will end up needing collective action, the equivalent of a new digital trade union movement for platform users so that we can impose some data ethics and withdraw our data from the companies that are so hungry for it unless they give us the ethical safeguards that we need.

Finally, I echo what my noble friend Lord Puttnam said about more study of this in schools and in wider society. Then, perhaps, we can have an informed debate to find an imaginative policy solution to these pressing issues.

3.58 pm

Baroness Benjamin (LD): My Lords, I too congratulate the noble Baroness, Lady Kidron, on her sterling work and on securing this important debate. I declare an interest as vice-president of the charity Barnardo's, which in 2004 produced the first ever publication in the UK to address growing concern about the ways in which children and young people may be at risk of harm online. *Just One Click* outlined the ways in which children were sexually exploited using the internet and mobile phones. Some were forced to pose for abusive photographs. Others were subject to sexual assault broadcast live via pay-per-view websites.

Barnardo's 2015 report *Digital Dangers* recommended that there needs to be an assessment of products, such as games and apps—both those currently in use and those in development—to ensure there are safeguards in place to prevent children being harmed. This should include manufacturers providing evidence that every effort has been made to ensure that children are safeguarded.

Each day, every nine minutes, a web page shows a child being sexually abused. To combat this harrowing crime, countries need to work together on an international level. I appreciate the challenges that social media companies face daily to monitor content. On an average day Facebook has 1 billion users sharing photos, live videos and messages in a vast variety of languages. However, in 2017 it came to light, through a BBC investigation, that Facebook failed to remove up to 80% of images that were reported by users as containing sexual images of children. By failing to adequately address harmful content, or put in place effective mechanisms of reporting, corporations are blatantly avoiding the moral responsibility to protect those vulnerable children and young people in our society.

Last month, an investigation by the *Times* revealed that child sex abuse images continue to be published on YouTube. I hope the Minister will be able to tell the House how this material can continue to be available in the light of the role of the Internet Watch Foundation? I hope he will also set out how the accessibility of this type of material will be affected by a number of new policy initiatives.

First, will YouTube come within the scope of the social media code of practice that is proposed as part of the internet safety strategy and, if so, how will the code constrain similar content? Secondly, will the children's age-appropriate design code, which will be introduced after the Data Protection Bill becomes law, reduce the amount of this sort of material on YouTube—a site that is so popular with many young people? Thirdly, how will the BBFC tackle this sort of material in its role as age-verification regulator under the Digital Economy Act 2017?

In 2016 and 2017, I raised the question of how social media and media sites would be treated under the Digital Economy Act. In her evidence in 2016 to the Lords Select Communications Committee, on which I sit, the noble Baroness, Lady Shields, stated:

“Twitter is a user-generated uploading-content site. If there is pornography on Twitter, it will be considered covered under ancillary services”.

We know that a vast amount of pornography shown on media sites is user-generated. I should be grateful if the Minister would update the House on the remit of the regulator in relation to user-generated content on YouTube channels and other social media. How is it coming along?

The Government have made a good start, first with the Digital Economy Act 2017, publishing the *Internet Safety Strategy* Green Paper, and working with the tech industry. However, for us to become the safest place in the world for children and young people online, we need to create a culture where social media and online platforms act ethically and feel a sense of social responsibility, integrity and morality when creating, maintaining and updating platforms, and are subsequently held to account. For the sake of the future, let us put children's well-being first.

4.04 pm

Baroness Grey-Thompson (CB): My Lords, I thank my noble friend Lady Kidron for tabling the debate this afternoon and, in doing so, I declare my interest as a board member of the BBC.

Social media has transformed many disabled people's lives. It has allowed new and news media to flourish and encouraged sharing of information. I would not want to go back to a time before social media and the internet. I remember being in the USA when the worst of the Rwanda genocide was happening and knew nothing about it because it was not covered anywhere.

I have spoken previously about how information is pushed through algorithms that try to second-guess preferences. While that may be valuable for advertising, we need to be reminded that it gives us a different, and while potentially increased perceived, choice, in reality it is far less than that.

I use social media quite a lot, and I have had many positive experiences. Sitting very late one night in your Lordships' Chamber, I tweeted that I had not had anything to eat and within minutes had had several offers of pizza at the Peers' Entrance. At 12.14 pm today I found out that there was a possibility of a joint Korean team competing at the Winter Olympics in hockey; at 1 pm I found out about a young disabled woman who has had her speech machine stolen and cannot communicate with her family.

[BARONESS GREY-THOMPSON]

However, I wish to talk about a very personal experience of social media. On Christmas Eve, I posted a moment in time. Ultimately, it was not going to change my life, but I could not get on a train. It was annoying and a bit irritating, as every other non-disabled person who was on the platform was able to get on, as they had the two previous trains. I did not think it was a news story but apparently it was. It showed how little control I had over something that affected me. Within minutes it was on news sites and I was taking calls from local and national newspapers. It received 320,000 impressions, 511 direct responses, 1,522 retweets and 1,360 likes. When I tried to rationalise it, I thought my post had raised an issue that affected millions of disabled people and helped others to articulate the experiences that they had. Of course, it brought out the trolls; the best that I can repeat is that people like me should not be allowed out. But this was something that I had spent less than a minute contemplating posting—possibly a valuable lesson for us all.

While propaganda may always have existed, it is now about the speed at which “news”—I say that in quotes—travels, and the responsibility that comes with it. It is not the same as a traditional news outlet and we need to think very differently about how it is regulated. I have concerns about the proliferation of these sites. What one person calls news, for another person is chip paper. You choose to follow a view because you agree or do not agree with it. I support difference of opinion; we need to be challenged to get the best out of the decisions that we make.

There is a great deal of positivity, and there are very responsible outlets that work hard to educate. My daughter is 15, and at her school they educate pupils through delivery of the EPQ skills lessons, with sessions on data literacy. They are taught to have a healthy scepticism about statistics; there are separate sessions on evaluating sources, both on and offline, and they cover fake news. So education gives you a choice. I understand that the Government may not want regulation; there is an element of Big Brother to that. Does the Minister agree, however, that social media companies should take much greater responsibility for the content distributed through their platforms?

Finally, while I recognise the positivity of social media, with the speed of development of platforms and technology we need to be much more mindful of what failure of self-regulation may look like and remain ahead of the curve, because dialling back is just too awful to contemplate.

4.07 pm

Baroness Fall (Con): My Lords, I thank the noble Baroness, Lady Kidron, for her timely and important debate. I sit on the Select Committee on Political Polling and Digital Media. Over the course of many hours of taking evidence has come the growing and uncomfortable realisation that one of the key sources from which we gather our news may be open to manipulation. Where once we gathered our news from a trusted newspaper or broadcaster, we now have an infinite number of sources at our fingertips to navigate at high speed every day. We are less certain of our sources; our judgment of the content is clouded by the

lack of context—and as for the content itself, this is a whole new world. It is a far cry from the regulated broadcasters, or even our self-regulated newspapers. This is a world where no one is made to feel responsible or accountable for what is said, least of all the media giants that provide the platforms. They have huge power with no responsibility.

Social media are sometimes a force for good and for necessary change, but often not. So we enjoy one of the greatest revolutions of our age, but with it comes the inside of Pandora’s box—a generation of young people who have to grow up under the constant pressure of social media, which must be in part responsible for a near epidemic of mental health issues. Online platforms offer all too easy access to indecent images of children and of terrorism. There are growing concerns about how our democracy is being undermined and manipulated, and concerns around so-called fake news and the lack of transparency in political advertising, as well as about what is real and what is a Russian bot. The media giants simply shrug their shoulders and say that it is not their problem, firm in their position that they provide the platform and the responsibility lies at the point of use. This is partly a matter of principle for them—a libertarian defence of freedom—and partly practical. How do you regulate something like the net, which is as shifting as a global desert? As the storm rages, we ask ourselves as we do today: what should be done? We can look at the question of whether the likes of Google and Facebook should be reclassified as publishers. I am yet to be convinced that this is the solution, for the reasons that many have given so well this afternoon, including my noble friend Lady Harding.

One thing is crystal clear: regulation in one form or another is coming to this sector whether it likes it or not. While we debate among ourselves the sort of regulation, social media giants should start trying a lot harder to solve some of these problems themselves. This falls well within their reach. Algorithms should be altered so that indecent images of all kinds are less easily accessed, if accessed at all. There should be more transparency around political advertising. Companies can do more to monitor the content on their sites and weed out the bots. It is simply not good enough to sit back and take no responsibility.

However, we must also be honest with ourselves that, while this battle is worth fighting, it is a battle that we will never entirely win. Ultimately, we must protect the integrity of our society and our democracy through the exercise of our own judgment, by learning to navigate the web from an early age and assessing the validity of what we read. This should be a partnership, with proactive social media and online platforms trying to fix the problems, regulation to address those which are not being fixed and vigilant citizens addressing those problems which might never be solved by either. Together we will never stamp out all the bad, but we are more likely to navigate away from it.

4.11 pm

Lord Bew (CB): My Lords, I add my thanks to those of other noble Lords to my noble friend Lady Kidron for initiating this debate. I begin by declaring an interest as chair of the Committee on Standards in

Public Life, which has a particular interest in this subject, as the role of social media took up a large part of the report that we produced before Christmas at the Prime Minister's request on intimidation in public life.

For the committee's review and publication of the report on intimidation in public life, we were interested in the role of social media companies in relation to illegal content, particularly threats of violence and illegal hate speech, such as racist abuse. Let me say straight away that we recognised that, in many respects, social media is a force for good and democratic expression and is a democratising force in our public life. It promotes in many important respects engagement with politics. None the less, the scale of the problem which confronted us disturbed us. We had to come to terms with the fact that the legislative framework governing the responsibility of social media platforms is based on the EU e-commerce directive of 2000, which was framed well before social media companies and online news platforms existed in their present form, when they were essentially fledgling bodies.

The e-commerce directive shields companies from liability for illegal content where they are simply "hosts" and where their relationship to content is "technical, automatic or passive". This exemption from liability requires that the company does not have knowledge of the illegal content, and takes it down expeditiously if it becomes aware of it. This formed the basis for what is known as the "notice and takedown" model. Our committee took the view that it is no longer appropriate to see social media companies as mere platforms. These companies choose the format in which users can post content and they curate that content, using algorithms to analyse and select content, including for commercial benefit. This is well beyond the role of a passive host. But nor are they publishers which should be held fully responsible for all their content, because they do not approve every item that appears on their platform and they do not create the content themselves.

Our committee concluded from this that we need new categories and new ways of thinking about this problem that go beyond the platform/publisher distinction; that we need to think properly about the role and responsibility of social media companies; that there should certainly be a shift in the liability towards social media companies for illegal material; and that the Government should bring forward legislation so to do. I have to say, when the committee started work on this, this was not a conclusion that was in our minds, but it was a function of our many discussions during the period of work on that document.

This shift in liability could be for particular types of content, or could be based on how difficult or how expensive automatic monitoring or removal of types of content is. As my committee made clear in our report, to address intimidation will require all those in public life—this is broadly across the problem of intimidation—to come together and work constructively.

I am very grateful to the right reverend Prelate the Bishop of Gloucester for mentioning my next point. Our committee also agrees with her that the BCS, the Chartered Institute for IT, which is convening discussions between the social media companies and the political parties to think about solutions to online abuse and its

effect on the democratic process, is doing valuable work. The Committee on Standards in Public Life fully supports that work.

4.15 pm

Lord Inglewood (Con): My Lords, I too congratulate the noble Baroness, Lady Kidron, on bringing forward this debate. I declare my interests as set out in the register.

It is my firm view that it is almost invariably technology, not politicians—not us—which determines the character of the world in which we live. That is nowhere better illustrated than in the transmission of information, particularly through the development of digital technology. Looking back, let us consider how information has been transmitted. First, it was by word of mouth. Then writing was developed, which led to messages being moved backwards and forwards. Then there was printing, which made the messages much more widely available. That, in turn, was distributed ever more effectively, not least by the development of the railways. Then, in the 19th century, we saw the possibilities of transmitting voice messages through telegraph and radio. In the last century, moving images were transmitted through television and so on. We have seen the development of engineering, enabling reverse path messages to be easily available, payment systems, all kinds of point-to-multipoint messaging and the creation of a whole spider's web of relationships. We have seen in all that the privatisation and democratisation of the process of transmitting information. Now we are in a world where it is relatively easy to create complicated images and then transmit them cheaply all around the globe. No doubt there is an awful lot that none of us can imagine which will happen in the near future. Therefore, it is hardly surprising that the topography of this landscape changes and, a decade on, I dare say that it will be very different from what we see now.

As has been mentioned, the key player for the last 400 years or so has been the concept of the publisher, because it is he who draws together all that has been going on. He inevitably, then, becomes the focus of the relationship between the information and the law, because, after all, authors are frequently men of straw. Of course, our current concern hinges around platforms: are they publishers or are they distributors? In our country, historically we have taken a very pragmatic and sensible view about distribution: the distributor is a mere conduit necessary for the dissemination of information to take place, particularly if he does not know what he is transmitting. What are platforms? Are they simply distributors or are they publishers? After all, they generate huge amounts of advertising and make all kinds of selection via algorithms. As my noble friend Lady Harding said, the old distinctions just do not seem to work anymore.

Many of the ills that have been pointed to in this debate could be dealt with in a domestic context if they fall within domestic jurisdiction. However, the internet and the big players do not; that is, after all, the point of the internet. They are more or less effectively footloose and fancy free across the net if they wish to be so, so the old-style general legal-based approach to general regulation is completely impractical. Unless we have a single global jurisdiction, it will not work.

[LORD INGLEWOOD]

Rather, Governments must get together with these companies, which after all need Governments and the consumers as citizens to work out a responsible way of developing codes of conduct and *modus operandi*. This will not necessarily be straightforward, and I think means that Governments will have to treat these companies analogously to those other countries they deal with in intergovernmental negotiations. I do not suppose they will like that but it seems to me that is how it is. This has implications for democracy and all other kinds of parliamentary and legal behaviour.

At the end of the day, we must not forget the most important aspect of all, the principle of freedom of expression, for that is one of the fundamental attributes of liberty.

4.19 pm

Baroness Howe of Idlicote (CB): My Lords, I too warmly congratulate my noble friend Lady Kidron on this important debate and on the way she opened it.

I fully acknowledge the considerable benefits of social media and online platforms, but will home in on their role as publishers of online gambling opportunities and pornography and the risks this poses to 11-16 year-olds. A Gambling Commission report published just last month showed that in 2017, 3% of 11-16 year-olds spent their own money on online gambling. This is illegal and should have been prevented by robust age verification checks. I note that 3% also gambled in 2016—thus there was no improvement between 2016 and 2017—and therefore ask the Minister what the Government and the Gambling Commission are doing to address this in 2018. The report also shows that in 2017, 11% of 11 to 16 year-olds played gambling-style social games, which are often free to play and offer no cash prizes, with 73% of these played via apps on smartphones and tablets and 28% playing via Facebook.

Any thought that the industry might get its own house in order voluntarily seems highly questionable given that revelations in the *Times* that online gambling opportunities were being marketed with children's cartoons in October have now been followed by revelations in the *Guardian* just after Christmas about the role of Scientific Games. The article stated:

“Scientific Games, a US firm that has provided FOBTs to Ladbrokes and casino games for several gambling websites, makes a variety of these ‘social games’ available as apps on Facebook. One of its apps features the children's cartoon characters The Flintstones, while another is themed around the Rapunzel fairytale”.

It is of great concern to me that these apps are so easily accessible to children. The article quoted Mark Griffiths, a professor of behavioural addiction at Nottingham Trent University, saying that social games were the “number one risk factor” for children becoming problem gamblers, even if hosted on Facebook rather than a gambling site. Despite this fact, however, gambling games that do not involve money do not meet the definition of gambling in the 2005 Act, and they are not regulated by the Gambling Commission.

I understand that these games may be targeted at those legally able to gamble, but they clearly appeal to children. Indeed, the press release accompanying the Gambling Commission's report last month said that,

“new technology is providing children with opportunities to experience gambling behaviours through products, such as free-to-play casino games, social media or within some computer games, which do not have the same level of protections or responsible gambling messages as regulated gambling products”.

In this context I ask the Minister, is it not now necessary to amend the Gambling Act 2005 to broaden the remit of the Gambling Commission to deal with gambling games when no money is involved?

Thirdly, social media acts as an advertising forum for gambling adverts for young people. The majority—70%—of 11 to 16 year-olds have seen gambling advertisements on social media, and one in 10—10%—of 11 to 16 year-olds follows gambling companies on social media such as Facebook, YouTube and Instagram, so are receiving positive messages about gambling via these sites.

Finally, I highlight the role of social media and online platforms in the publication of pornography which is illegal but does not meet the narrow definition of extreme pornography and is published on a social media site or online platforms, most of the content of which is non-pornographic. Last April the *Times* reported that non-photographic child sex abuse images were being published on Facebook without age verification. Just a couple of weeks ago, moreover, another *Times* article showed that paedophiles were using YouTube as a “shop window” to showcase abused children. On that point, when the age verification regulator starts its work in May, will it be able to take action against this illegal content, or will the fact that Facebook and YouTube are not primarily for conveying pornography make it powerless to act? The regulator is powerless to act in this situation, so what are the Government going to do to address this problem with social media and online platforms?

4.24 pm

Baroness Worthington (Non-Affl): My Lords, I add my congratulations to the noble Baroness, Lady Kidron, on securing this excellent debate. As is always the case when one speaks late in such a rich debate, nearly everything that I would have said has already been said, and far more eloquently than I would have been able to do. Therefore, I will keep my comments brief.

I want to reiterate what many people have said already: that the current use of social media and internet platforms is an extraordinary new development and feature of our everyday life. The two-way nature of these platforms is extraordinary and unlike anything that society has ever witnessed before. We interact with information in ways that are often thought through but sometimes not enough time is spent in thinking about the consequences. We leave behind us a breadcrumb trail of information that can be gathered, harnessed, analysed and used for commercial profit.

As the noble Baroness, Lady Harding, pointed out, these platforms can also bring huge benefits. They are not popular for no reason. An enormous amount of effort has gone into making them useful, and they often have huge beneficial consequences for the way we live our lives. That said, there is clearly a need for us as a society to think about our laws and about whether they are keeping pace with the current use of these platforms.

There is a unique aspect to the anonymity afforded by many of the providers, as some previous speakers have pointed out. Hiding under the cover of anonymity, it is possible to spread hatred, propaganda and abuse. However, it is also true to say that human nature dictates that we find people with real identities far more persuasive, and that has led to a new trend in fake personalities or fake accounts being created. Such accounts can be created very easily.

These platforms have become phenomenally popular and have achieved extremely high levels of penetration because of the ease of their use. By their very nature, it is easy and quick to set up accounts, and a low level of checks and balances is applied. That means that it is now possible to create and control a relatively small number of accounts. Co-ordinated action then leads to stories being published, then republished, “liked” and followed, and they, in turn, are picked up by algorithms that have been designed to make our news feeds and information flows more relevant to our interests.

Therefore, an extraordinary facilitating action of these platforms enables fake news and other propaganda to achieve vast audiences. It is now possible for news to circumnavigate the globe almost instantly. In the time that it takes for something to be checked and then challenged, lives are ruined and reputations can be irreparably damaged. These platforms have also learned how to attract our attention and generate the advertising revenues on which they thrive. The more outrageous and enticing the headlines, the more likely it is that they will receive attention.

There are obviously many other aspects that require our serious attention, and I just want to think about some solutions. There is clearly a need for us to acknowledge that self-regulation is insufficient. The noble Baroness, Lady Kidron, gave the example of children being expected to flag content that they find distressing, but that is clearly not sufficient. It is very important that we now expend public money and effort on providing a neutral and independent set of checks and balances on this entire industry. That is not without precedent. There are many people who are able to devote themselves to creating the same sorts of tools that have been used to combat advertising fraud or maximise advertising revenue, and they can be brought together in the public good and be funded from the public purse to create a check and a balance against the needs of the industry.

Education and keeping ourselves informed is a huge responsibility that we all must bear. It is possible to move away from the household brands and find alternatives with similarly interesting names, such as the Epic browser, the Comodo Dragon browser and the DuckDuckGo browser, which enable you to have a very different experience of the web in which you are not leaving behind a hugely valuable data trail and can insulate yourself slightly from some of its worst aspects. The noble Lord, Lord Knight, talked about unionising users, which is an exciting idea that should be explored. With the great power we have in using these platforms, we should be able to exert pressure back on them.

4.30 pm

Lord Mitchell (CB): My Lords, I too thank my noble friend Lady Kidron for introducing this timely and important debate. However, I feel such a hypocrite. I live on many screens: I tweet and I follow, and I delight in Amazon—no more trips to the shops. As for Google, where would I be without it? The only major social media I do not use is Facebook—there I draw the line. Truth be told, I love the products that these companies provide, and yet I am so critical of these very same companies. Yesterday in your Lordships’ House I spoke about protecting public data assets from big tech. Today, I want to speak about big tech’s lack of corporate and social responsibility.

The fact is that these companies—Apple, Amazon, Google, Twitter and Facebook—have become the colossuses of our 21st-century world. They stand astride our economies and our social interchanges. Their corporate power is, quite frankly, scary, and the influence of their products on society can be devastating—just look at the recent US elections. It was Google that coined the phrase, “Do no evil”, a mantra that could just as well be applied to any of the other participants. They believe that they exist for the benefit of mankind. My view is different. I am truly worried by the power these companies wield, but before I turn to social media, I should like to address the related issue of their universal obsession in avoiding paying tax.

Why is it that I talk about tax avoidance in a social media debate? Because big tech companies are driven not to pay tax, with the same fervour as they are driven not to take responsibility for the content that appears on their platforms. The same organisations that employ the brightest people in the world to design their products, enhance their systems and create their algorithms also employ the cleverest people on this planet to ensure that they pay little or no tax. Billions, perhaps even trillions, of dollars of untaxed corporate profits are squirrelled away in Luxembourg, the Cayman Islands and the like—the result of convoluted international structures set up with one purpose only. Maybe their mantra should be modified: “Do no evil, pay no taxes”.

This afternoon’s debate centres on the responsibilities of the social media companies, whether such companies are platforms or publishers, and how they should be regulated. For too long, YouTube, Twitter and Facebook have positioned themselves as platforms—conduits of data with no responsibility for their content. These days, few believe that. We continue to be shocked by the vile words and images that the world is able to access on these platforms. No newspaper, however extreme it may be, would ever dare publish the lies and images that we see on social media, but even now little is done to control these companies.

I am certain of one thing: if the social media companies and big tech really wanted to clean up their act, they could do it. The genius that created these amazing organisations and the accumulation of talent and resource that they now have at their hands is unparalleled in history. All of this could be harnessed to clean out their stables. They could become good corporate citizens. All they need is the will, or perhaps the legislative imperative, for without laws, it is clear that anything goes.

4.34 pm

Baroness Eaton (Con): My Lords, I too thank the noble Baroness, Lady Kidron, for initiating this important debate.

I would like to draw the Minister's attention to the increasingly important role of online content and social media and the Government's forthcoming reforms to relationships and sex education. The Department for Education is currently conducting a call for evidence on this subject and new statutory guidance will focus on what should be taught in our classrooms to ensure that young people can navigate an increasingly complex world in relation to sex and healthy relationships.

As important as this undoubtedly is—I commend the Government for their efforts in this area—when new guidance is published by the department it should not ignore the role of online content and social media. In a recent opinion poll conducted by the Centre for Social Justice, almost 60% of young people said they are actively looking for relationship information and advice online. In the same survey, these young people told us that they are least likely to go to a teacher for information. New statutory guidance produced by the Government should bridge this gap.

The way young people receive information and go looking for it has changed and RSE provision needs to reflect this. A modern approach to relationship education cannot simply be delivered exclusively within the classroom. At a time when a typical 12 to 15-year old spends almost a day a week online and more than eight in 10 have access to a smartphone, the Government should consider how high-quality relationship information and advice could be delivered online as well as in the classroom. The previous Secretary of State for education talked about the need for a modern approach to RSE. This must include a high-quality online presence. In the same survey, 42% of older teenagers thought that there was not enough good-quality advice and information online. The Government should step in with their reforms to guidance in this area.

One charity taking a lead in this area is the Family Stability Network, which has launched the Status campaign to help young people understand what it means to be in a healthy relationship. Status responds to a growing demand for better relationship information delivered online and through social media, and believes in helping young people think through their relationships and build longer-lasting, healthier relationships through engaging and informative content. Status is promoted to young people across social media and has reached over 500,000 young people in the past year alone. I recommend that the Government look to Status as an example of what can be achieved in this area.

Perhaps I may make a direct appeal to the Minister. When the Secretary of State launches new guidance on relationships and sex education in schools, the Department for Education should also announce a new dedicated innovation fund, recommended by the Centre for Social Justice, to encourage the development of kitemarked online information for young people and parents.

Relationship and sex education needs to go beyond the classroom if it is to make an impact on young people, and the department has an important role in making it happen.

4.38 pm

Baroness O'Neill of Bengarve (CB): My Lords, my noble friend Lady Kidron has introduced a debate that is not just timely but urgent. It is different from earlier debates and discussions we have had, which focused largely on social media issues—although I know there has been a great deal of discussion of social media today—and that is not something one can take lightly. The wanton or malicious uses of digital technologies, particularly social media, can spread content that harms other individuals. The list is very long—cyberbullying, fraud, grooming, trolling, extreme pornography and endless sorts of breaches of privacy and confidentiality.

However, today I am going to focus not on harms that individuals may do to other individuals using these technologies but on ways in which digital technologies may spread content that harms public culture, and thereby civic and civilised life—and, ultimately, democracy itself.

I have time to mention only a few examples. First, there is the harm to electoral process and public debate. In this country we regulate expenditure on advertising by political parties during elections quite closely, but advertising by others and disseminating content that is not labelled as a political advertisement—whether by individuals, corporations or foreign states—is unregulated. This used not to be a problem. Such advertising was unlikely, it was costly and it could not effectively be provided from afar—but this has changed. Some noble Lords will remember the lurid and mendacious material that was “hosted”—in the pretty vocabulary that is used—online on websites run from Macedonian villages which were provided with particularly provocative and damning content during Mr Trump's election campaign. Digital content can be algorithmically distributed without any indication of provenance and without any means of complaint, redress or correction over any distance and at very low cost compared with traditional advertising. The present situation makes a mockery of our tight regulation of party political expenditure on elections. The committee of the noble Lord, Lord Bew, might want to look at this one.

The second example concerns the debate about publishers and platforms. It is an important debate and we can all see why those who run online platforms are not always in a good position to exercise the responsibility of publishers. That is, as it were, their get-out card. However, what they are doing is hosting a large amount of anonymously posted content, resulting in irresponsibility at two levels: at the level of the platform and at the level of the individual who posts content. Is this acceptable? Well, people always invoke the argument of free speech, which we should take seriously. There may be a good case for protecting anonymous postings on matters of public interest under repressive regimes. That is a much-cited special case, but it is just that: a special case. There is no generic case for exempting from accountability those

who post content anonymously or for protecting them if they damage, defame or discredit others, reveal personal information and the rest of it.

I think that democracy will fail if we find that when we talk about public affairs, what is going on is the equivalent of hiding behind hedges in order to throw stones more effectively. There is perhaps a case for holding online platforms responsible in the way that publishers are responsible, if not for all the content they carry then at least for any content posted without a verifiable indication of its source. That verifiable indication would mean that the individual carried liability, which would be better than the present situation.

The third example is that of monopoly providers, about which others have spoken. This is a serious issue because these are enormous companies and, given that they are digital intermediaries, they can shift jurisdictions very quickly. This has wide and deep effects on public culture. We need to think very hard about anti-monopoly provisions in this area.

4.42 pm

Viscount Waverley (CB): My Lords, the manipulation of social media and control over differing value sets present regulatory and ethical challenges in today's world. Manipulation can undermine political and social life, shaping Governments and governance, colouring decision-making and economic espionage. Thirty countries are said to use online tactics to manipulate outcomes, yet Governments currently have limited or no control over this environment. Identifying perpetrators with certainty is difficult. So what is to be done, by whom, moving forward?

The short answer is that the social media platforms could and should step up to the plate and publish their own analyses. Distinguishing one threat group from another is possible when sufficient information, analytical know-how and technology tools combine. Cyber intruders leave digital footprints with links that enable computer forensic analysts to separate one intrusion from another. Major platforms, most particularly Twitter and Facebook, retain the vital data to pinpoint state-sponsored accounts operating on their platforms—but they are not willing to share it. They say that their own systems work internally to find and shut down bot and misinformation accounts. But, whenever they delete an account or when the account holder deletes it, the information is lost, with trolls simply making new accounts and reviving the process.

Foreign influence does necessitate formulating a plan to counter interference. Should the Government reject calls for censorship and regulation, trigger a process to enshrine protection and penalties into domestic legislation and so rein in, control and protect through the rule of law?

What realistically could be done? We could devise support programmes of fact checking, verification and digital forensic initiatives capable of exposing falsehoods and false claims of authority that underpin fake and propaganda pieces, and ensure platforms crack down on automated amplification networks that impersonate humans—botnets. Social media networks could develop and administer algorithms for identifying and removing fake news by marshalling the same

engines that spread fake news in the first place. They should identify repeat disinformation offenders and have them demoted, if not taken offline.

Government should also invest in media literacy and education programmes. Emotional targeting is the central tactic of disinformation. People have to be taught how to recognise it. When it is used as a direct tool of the state, we must expose it, not ban or censor it. We must work with the social platforms and civil society groups, not against them, to close such loopholes as anonymous accounts and the use of hyperpartisan rhetoric. Platforms should make verification necessary and easier. Traditional media must also responsibly verify the social media accounts they cite.

HMG can lead internationally by devising and promoting a new global treaty to nail this issue, and here at home by creating an independent commissioner with oversight, accountable to Parliament. Self-regulation is to be supported but scrutinised. There will always be loopholes, but signals from the major platforms are encouraging and consequently should be applauded. Co-operation, not complacency, must win the day.

4.46 pm

Baroness Jenkin of Kennington (Con): My Lords, I am grateful to the noble Baroness for introducing this debate. I do not think any of us can claim that this is the most digitally aware workplace in the country. Indeed, when talking about Twitter with a colleague here the other day, he asked me how many followers he had. I had to explain that as he was not signed up and did not have a Twitter account, he did not actually have any followers. I do not think he is unrepresentative.

I cannot pretend to be a digital whizz myself, but I am on Twitter. Somehow, without knowing how, I have managed to set up my Twitter account to feed automatically to my Facebook page, which I am rather pleased with. I have just over 5,000 followers, which pales into insignificance compared to, say, the noble Lord, Lord Sugar, who, with nearly 5.5 million followers, understands the power of communicating directly and influencing a very large audience. With 500 million tweets posted every day and 1.33 billion people active daily on Twitter, the power of online platforms cannot be ignored.

I wish to focus my remarks on how this revolution is affecting public life. Social media has made communication with those of us in public life much easier. More than 70% of UK adults own a smartphone, which can be used from any location to send messages directly to the social media accounts of politicians and candidates. My interest, as noble Lords may be aware, is as chair of Women2Win, which encourages and supports female Conservative candidates to stand for election. A recent Fawcett Society survey of women in public life found that most women failed to report abuse as they did not think the platforms would act. This is wrong. They should take tough action against abusers.

I very much welcome the Committee on Standards in Public Life's recent inquiry, which showed, among other things, that Conservative candidates, especially women, were more likely to be the subject of intimidatory behaviour than candidates representing other parties.

[BARONESS JENKIN OF KENNINGTON]

This is worrying. It is hard enough to get women to stand for public office, and all barriers need to be addressed. If they are not we will be left with a political culture that does not reflect the society it should represent, with serious implications for our democracy.

Let me give your Lordships a real example—one of many. During the election campaign in June, the Ealing Central and Acton Conservative candidate was met daily outside her home by a large group of Momentum and Labour activists yelling at her, and I quote—and please, my Lords, forgive the unparliamentary language and block your ears if you are sensitive or easily offended—“Fucking Tory cunt”. This young woman has a young child. How can this be acceptable? How does this not deter other mothers from stepping up? Her activists and volunteers were routinely spat at. They told an Asian activist that she deserved to have her throat slit and to be in the ground for being a Conservative—and much, much more, especially on social media.

Standing for election and public office for whatever political party should be recognised and celebrated as a noble, honourable and responsible action to take. This abusive behaviour is fuelled by the anonymity which social media platforms provide. This is just one example of many where, during an attempt to take part in the democratic process, a candidate was subject to abuse, intimidation, libel and slander. Civil, criminal and electoral laws were broken, yet no action was taken. Online platforms have a responsibility to play their part in preventing this in future.

4.50 pm

Baroness Lane-Fox of Soho (CB): My Lords, I, too, thank my noble friend Lady Kidron for this debate. We joined the House together and I remember clearly her saying to me, “Oh, I really do not know anything about technology”. That is clearly untrue and I learn from my noble friend all the time. If the noble Lord, Lord Mitchell, is a hypocrite, I am afraid that I am Judas, as I must confess early on that I am a board member of Twitter—I shall come back to that in a second.

I was lucky enough to give the 2015 Dimpleby Lecture, in which I presented the case for believing that the Silicon Valley giants would come for a tumbling over the next few years, but even I could not imagine how quickly they would fall. My own small think-tank charity, Doteveryone, did some research that has been released this year showing that 63% of the UK’s adult population does not trust technology. Only one in five people believe that technology companies are doing something valuable with their data. More than 90% of people want to know what is being done with their data, and only 30% can find out what. These are staggering statistics, and it is important to put in the context of today’s debate that failing wider consumer and civil trust in technology, because it is corrosive. As we have heard it most eloquently said by many people around the House, technology is not going away.

Perhaps I may return to Twitter. I joined the board because I am an avid user—not quite with the 5 million followers of the noble Lord, Lord Sugar; my own

small number is a fraction of that—and because, when I became UK digital champion in 2009, it immediately gave me a route to some of the local community groups working on aspects of digital inclusion that I knew nothing about. It enabled me also to tap into the biggest brains in the sector and build up my own small following of people who were interested in what was happening. I have learnt three things from being on the board that I would like to share with your Lordships today as they are very relevant to the debate.

First—and this perhaps is the most important—nuance, complexity and specificity of argument, policy decision and change are incredibly important. Twitter is not Facebook; Facebook is not Amazon; Amazon is not Google. Yes, they share many characteristics. On the point made by the noble Lord, Lord Mitchell, I wish that Twitter had even made a profit. I am sure that many of your Lordships in this Chamber would think that it had, but it has not. We have enormous reach—350 million users; we have fewer than 3,000 members of staff and, as yet, no profitable revenues. Google, as is well documented, has \$70 billion on its balance sheet. As noble Lords may have seen from the front page of the *Guardian* today, Jeff Bezos is now the richest man in the world with \$106 billion of wealth personally to his name, which could pay off the UK national debt twice. It is incredibly important if we are to make good decisions in this Chamber and beyond as users and citizens that we are specific in our discussions.

Secondly, I have learnt more than anything that diversity of thought and view is vital. I am surprised and happy that the noble Baroness, Lady Jenkin, remarked on parliamentary candidates’ roles on social media. We must fight for more equality of representation in all those companies at the most senior levels. I was the second woman to join the Twitter board. There are only two women on the board of Facebook; one is Sheryl Sandberg; there is only one woman on the board of Snap. We will never get to a point where some of the counter-winds that we face are recognised and some of the incredibly unpleasant behaviours nailed in engineering terms if we do not fight for more women to be at both board level and engineering level. What action can the UK take to build the role of women in the technology sector in this country? It is vital.

My final point concerns something we have under-egged in the debate today: I do not really believe that many countries understand the internet but I very much believe, as I said in a recent debate here, that Russia, China and North Korea do. We ignore that at our peril. They are the experts in social media. China has built a parallel internet, as we are all aware. They are now monitoring their own citizens, building huge profiles of them and will reward them in the future with services and different mechanisms to keep them incentivised to behave well. Yes, our UK issues are very important, but we are a minnow. The entire European tech sector is just 7% of that of the US. We have to keep focused on our role globally and the big geopolitical headwinds we face.

4.55 pm

Lord McNally (LD): My Lords, the summing up of a debate such as this is always difficult and today it is almost impossible. I will not mention all the

contributions—as I say, that would be impossible. I will mention three. I am delighted to be following the noble Baroness, Lady Lane-Fox. As she knows, I am one of her groupies in that I have looked to her for advice on this area since I was a Minister and she was part of an advisory group, which I confess I referred to in my private office as “Geeks Anonymous”. I am also thankful to the noble Baroness, Lady Kidron. I said after her amendment that hers was a parliamentary triumph and a game-changer. I believe that the Kidron amendment will be referred to time and again in the years to come as having changed the weather in how we approach this. Finally, the noble Lord, Lord Puttnam, has been my mentor and friend on these issues for 20 years and I am grateful that he has intervened again today. As for the rest of you, all I can possibly do is amend a saying beloved of our American friends: there has not been so much wisdom concentrated in one place since Thomas Jefferson dined alone.

My own mentor, Jim Callaghan, used to like to say, “A lie can be halfway around the world before truth has got its boots on”. Jim used to say that in the 1970s: now, of course, it is in nanoseconds, or whatever is the flash of light in terms of information. How our societies come to terms with what has been termed the fourth industrial revolution, the data revolution or whatever, will be one of the great challenges. Matthew Parris, who entered the Commons in the same 1979 intake as I did, wrote in the *Times* on 30 December:

“The internet is a jungle that can’t be tamed. It would be impossible to censor social media so we might as well embrace fake news and learn to ignore the insults”.

I admire Matthew Parris, both in his political career and as a journalist, but it is a thought with which I profoundly disagree. It is the task of this generation to bring the new technologies within the rule of law and of democratic accountability. Of course, I agree with the noble Baroness, Lady Harding, that we need to get the balance right and to make a proper judgment about benefits and real harm, but I also agree with her that saying no politely is not enough of a response for these social media giants.

I think that in many ways we are in the same position as politicians who had to face the massive changes of the industrial revolution, and in the United States the massive growth of corporations. The political systems showed the ability to tackle the big trusts, the monopolies and the health and safety, hours of work and all the rest. We must not preach a feeling of doom about this: they are not beyond our control, but when I say control, it is that light touch. When I was the Minister working on the general directive which is at the core of the Bill that was debated in the House yesterday, the British position was constantly to have light-touch regulation. We were mostly opposed by countries which only but recently had experience of a Stasi, or the power of an intrusive state, so I understand the balances and the discussions.

In many ways, some of the agonising in this debate today is always there in a liberal democracy—small “l”, small “d”. In liberal democracies, we agonise about what the limits of free speech are, and if we put limits on it, we worry about why we do so. In that respect, as I hinted in the debate yesterday, I am closer to the noble Lord, Lord Black, than might be imagined.

I really am worried that these big companies can, as it were, asset-strip the communications industry in a way that undermines the ecology of all communication. I cannot remember which of the White Papers it was from some time during the 1980s or 1990s that talked about diversity, quality and choice as the aim of policy, as far as communications in its widest sense goes. I still believe that is important and that to have that diversity, quality and choice, we must make sure that our print media are not dramatically undermined. I took to heart what the news media associations said on how these new technology companies are undermining and weakening them.

I have also had the briefing, as most of those taking part probably have, from ITV, Channel 4 and Sky about the impact on them. Of particular interest, and an old concern of mine, is the BBC. If our communications ecology is under threat from these companies, it is more important than ever that we continue to support the BBC and the other public service broadcasters in the job that they do. We need to be careful that they are not undermined by what these tech companies are doing. This is not only in the provision of news but in the undermining of these companies in providing an underpinning of our cultural values, in the programmes they commission and the work they do. Ofcom has to take on its new responsibilities by not only regulating or oversighting the BBC but by defending it against unfair attacks. In this new age, a BBC dedicated to inform, educate and reform is more needed than ever.

I agree entirely with the point made by the noble Lord, Lord Puttnam, about education. Again, it is good that we have had this overlap between the Data Protection Bill, which we debated yesterday, and this debate. We are talking about getting ourselves ready for this transformation. I also agree with the noble Lord, Lord Inglewood, that it is as big a change as the invention of the printing press. It is a complete challenge to almost every sector of our society and if our democratic institutions are to be able to survive the assault that this era of rapid change brings to us, we will have to be ready. I will cite again that when the Education Act 1870 was passed, it was said that they had to educate their masters. Well, now we have to educate our population—not just our children but us all.

We have also got to educate ourselves. I was invited to a round table as an expert on the digital economy. I said that I am not an expert but a politician trying to learn about what this involves for our society. I strongly support the suggestion made by the noble Baroness, Lady Kidron, of an ad hoc committee of this House. I know that is not a ministerial responsibility. This debate is not an end in itself. It is part of a process of getting ourselves prepared and ready for some of the challenges that new technologies are going to bring to Parliament and to our society.

5.05 pm

Lord Griffiths of Burry Port (Lab): My Lords, the noble Baroness, Lady Jenkin, remarked that this is not the most computer savvy institution on the face of the globe, and no one is a better illustration of the truth of her statement than me. However, with the noble

[LORD GRIFFITHS OF BURRY PORT]

Baronesses, Lady Kidron, Lady Lane-Fox and Lady Harding, my noble friend Lord Knight and others around me, I feel I can learn so much, to pick up the noble Lord, Lord McNally, at the end of his remarks, on this important subject, and ask myself how we proceed with this complicated material and the urgent need to find ways of dealing with what is clearly a priority for our society.

It is clear that online companies are coming under increasing pressure to move beyond their claim to be merely platforms for a broad and broadening range of interest groups and individuals, a catalyst for the free flow of knowledge and ideas and a factor in the democratisation of information. It is true enough that in some measure all these claims can be justified and attested. A great deal of information, an endless amount of social activity and a flood of ideas have indeed been greatly enhanced by the emergence and development of social media. We have cause to wonder at these developments. As I sit with my grandson, I see him handling things that make me wonder whether I would not have preferred to have died before he was born since the learning curve is sometimes so steep.

As many noble Lords have said, we have all become increasingly aware of the unquantifiable amount of dark, intrusive, prurient and dangerous material that flows along with the helpful and hopeful stuff. Through conversations in our social lives, we can detect rising unease among the public that is reaching a point, if it has not already reached it, of wanting to hold the great cartel of corporations who pretty much hold us globally in thrall to account. I have been delighted to hear of the work Google is now doing on tackling hard issues, such as fake news, supporting high-quality journalism, fighting extremist and controversial content, promoting child safety and educational campaigns and protecting intellectual property. Long may it continue, but I hope we will not be seduced by these siren sounds. We must go on giving intense scrutiny to this, and that note of urgency has been sounded again and again from all parts of your Lordships' House.

There are key questions that these corporations, and we, must face. The noble Lord, Lord Mitchell, referred to them being taxed appropriately, and we must not lose sight of that, but their accountability for the material they handle and enable to pass into the public realm also needs to be faced. I believe they should be treated as publishers, perhaps bearing in mind the distinction that can be drawn between anonymous and unattributable material and that which can be attributed to authors and sources. This is a key moment in the history of the fourth industrial revolution. Just as the grim factories and satanic mills of 19th century England eventually and sometimes painstakingly had to come to terms with their responsibilities for the health and well-being of their workers, as well as for their impact on the green and pleasant land around them, so now we must press for a similar development in the realm of social media.

It is not appropriate to simply denounce or demonise the digital media. There are much more epistemological and historical things at stake which make this an opportune moment for social media to come to a

rotting carcass and make the most of it. Indeed, fake news is invading our intellectual landscape like Japanese knotweed, yet it would be wrong to identify social media as being entirely to blame for what one writer describes as,

“the crash in the value of truth ... comparable to the collapse of a currency or a stock”.

That assertion was made by the respected journalist Matthew d’Ancona in his recent book *Post-Truth*, which ended up in my Christmas stocking this year. To take a word from the remarks of my noble friend Lord Puttnam, trustworthiness—trust and truth—has collapsed but this has been going on for a long time, the pace accelerating since the financial crash of 2008.

“There are no facts, only interpretations”, said Friedrich Nietzsche. The Manic Street Preachers, a group from my native land, released an album that said, “This Is My Truth Tell Me Yours”. There is an individualisation of statements of truth, the disappearance of a meta-narrative and the evolution of a world in which we make our own truths and set our own standards. When I was studying theology 50 years ago, there was situation ethics—the ability to reach ethical conclusions according to your own lights and experience, not by subscribing to something that was generally approved. It is against those general factors that we must look at what is happening in the realm of social media and digital materials that we are talking about today.

There are worries. We need only flag up the dark area that emerges from the freedoms that we are now given. Terrorists, paedophiles and money launderers have all profited from them. The current television series “McMafia” is a perfect illustration of how wrong things can go, in the words again of Matthew d’Ancona, like,

“a runaway train, crashing through privacy, democratic norms and financial regulation”.

If there is any truth in this line that what we are looking at specifically in the realm of social media needs to be mapped against a more general philosophical and moral situation that is historical and has been developing for a long time, we need to look very carefully—I like the word “nuance”, which the noble Baroness, Lady Lane-Fox, used. If there is any truth in this argument, we must all do something about it. It is not just the Government of course; everybody interested has a job to do in cleaning this whole situation up.

Two very current issues add urgency to the consideration of these matters. It was good to hear the noble Lord, Lord Bew, and the right reverend Prelate the Bishop of Gloucester refer to the Committee for Standards in Public Life and its recent report. It is vital, as the committee put it, to convene a constructive and solutions-focused dialogue between the social media companies and the political parties. Other noble Lords have referred to this too. It seems that Twitter and Facebook have both confirmed their readiness to participate in such a dialogue; others have yet to come on board. We must hope that they will join the debate soon, and that there will be a fruitful and beneficial outcome to their discussions.

I finish with the issue of press freedom, which was debated with such passion yesterday. I was just a bystander listening to the entire debate, but there is

something immensely sad about hearing two opposing cases being put with equal conviction—two admirable cases but each made, I kept feeling, from within locked rooms.

So much has happened in the world of communication since the publication of the Leveson report in November 2012, nowhere more so than in the area we are discussing. Then, the focus of the inquiry was mainly on newspapers and related outlets. Since then, the expansion of digital media has been truly exponential. Alongside these developments, we must hope to create an ethical framework that allows us to distinguish relative positions of rightness and wrongness and appropriate behaviour.

I wonder whether the Government would seriously consider creating a new category of services and make the digital companies responsible for the content that passes their way, to bring into being a code of practice for social media companies and underpin it in statute. I wonder whether there could not be brought into being an independent regulator with the power to oversee the system, investigate breaches and ultimately sanction non-compliant platforms, and whether there should not be a statutorily backed levy on social media companies to fund internet safety education. None of those recommendations is mine; they are made by Sky and already submitted for inclusion in the Government's Green Paper on internet safety. Let us hope we are moving in the right direction.

We are very grateful to the noble Baroness, Lady Kidron, for starting this very rich debate. It is certainly not finished today.

5.17 pm

The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Lord Ashton of Hyde) (Con): My Lords, I am very grateful to all noble Lords for their interesting and succinct contributions—I know how difficult that is on a subject such as this. I very much support the noble Lord, Lord McNally, in his view that this is part of a process and that we will not provide all the answers tonight. I hope that I will answer some noble Lords' questions, but there is an awful lot to get through. Of course I also thank the noble Baroness, Lady Kidron, for convening this debate.

There is a lot to cover, but I say at the outset that the Government get the message which I think the House in aggregate is giving today, which is that social media companies and the way they work have developed rapidly and that there are issues that need to be considered. I hope that I can show that we are taking that seriously.

For example, I think we all agree that the internet offers a huge range of opportunities but, as we have heard, there are legitimate concerns about illegal and harmful content online. A number of noble Lords have expressed specific concerns about the role that major social media platforms play. Because we are so acutely aware that the internet can have both a positive and a negative effect on users, particularly children, the Government have developed a clear ambition, as stated in our manifesto commitment, to make the UK the safest place in the world to be online. We aim to realise that ambition via policies developed through our new digital charter.

If I may initially confine myself to the noble Baroness's Motion—which I know is not always the practice in this House—I must make the point that online platforms such as social media companies, auction sites and cloud service providers are, as has been alluded to, currently defined as information society services, as set out in European Union law. While we are still a member of the EU, the UK is subject to the e-commerce directive, but the directive was drafted in 2000, when the internet was in its infancy. The intention behind it was laudable: to create a regulatory environment in which cross-EU online commerce could flourish and prevent member states creating barriers to the growth of the digital single market. But since the turn of the century, digital technology has developed faster than society has adapted to that change, and citizens now have legitimate concerns about rising online threats. The noble Lord, Lord Bew, explained the dilemma that this creates.

Around the globe, it is now increasingly acknowledged that there are problems with online behaviour and content and that they must be addressed. The EU Commission recently published guidelines on how online platforms should increase the proactive prevention, detection and removal of illegal online content, and it is currently considering whether further action should be taken.

The noble Baroness, Lady Kidron, asked about legal liability structures to which I alluded. I thought it would be helpful to show what the new Secretary of State said in his evidence to the Select Committee on polling and digital media—the noble Lord, Lord McNally, might be interested in the philosophical nature of this. He said:

“The approach that we take as a whole to the internet and internet companies is encompassed in what we call the digital charter. Essentially, this is about changing the attitude towards what happens online from a libertarian view that the more people connect in the world, the better, and that Governments should have no view, which was probably the founding political philosophy of the internet, to a liberal values view whereby you support and promote the freedom that the internet brings while ensuring that that freedom does not trample on the freedom of others. That involves mitigating harms”.

We agree, and as long as the UK remains a member of the EU, and bound by its rules, we will work closely with the Commission, and other member states, to secure further progress in this area. Of course, consideration of online liability is fraught with complexities, not least because we will be leaving the EU. Similarly, an ill-considered approach might also produce technical problems for online service providers. If they were to become fully liable for all third-party content, this could be fundamentally prohibitive to many service models, including those operated by cloud storage providers, video-sharing sites and others. Balancing these various interests is a delicate matter, but essential if we are to meet safeguarding concerns for users while still supporting the internet as a useful vehicle for exchanging ideas and promoting the digital economy.

These points are not intended in any way to downgrade the importance of tackling online harms, but rather to outline the need for a well-developed and, if possible, consensual approach. The digital charter is our primary response to the more fundamental questions of ensuring

[LORD ASHTON OF HYDE]

that new technologies work for the benefit of everyone. The noble Lord, Lord Knight, talked about new policy thinking. While I talk about that, I remind noble Lords that we intend to set up a data ethnics and innovation body, and we have allocated £9 million in this budget to do that. It could consider things such as the verification ideas that the noble Baroness, Lady O'Neill, mentioned, and the suggestion of the noble Baroness, Lady Eaton, of an innovation fund, among many other things. We intend to develop the policies and actions to make the UK the safest place to be online, and to drive innovation and growth across the economy.

As the noble Baroness, Lady Lane-Fox, mentioned, that includes women, who are a valuable and essential resource. I am pleased to say that the Government are supporting the recently launched Tech Talent Charter, to which over 125 tech companies have already signed a pledge to take concrete measures to improve the gender diversity of their workforces.

What we are trying to achieve cannot be achieved by government alone. So we will work collaboratively with citizens, businesses, charities and others to build both our understanding of the challenges, and a consensus around the solutions. As I have mentioned, the challenges we face online are global. The international element was mentioned by the noble Baronesses, Lady Kidron, Lady Benjamin, and my noble friend Lord Inglewood, among others. It is at this global scale that we should be looking to gain consensus on our approach. We have already begun to hold international discussions on the key issues under the charter, including at the recent G20 digital taskforce in Hamburg. Going forward, we will look to expand this work, including bilaterally with like-minded countries such as France, and through multilateral organisations, including the OECD and the D5.

The very first element of the digital charter is our work on online safety, a reflection of how seriously the Government take this issue. In October, we published the *Internet Safety Strategy* Green Paper, an important next step in meeting our relevant manifesto commitments. The strategy set out our ambition for everyone to play a role in tackling online harms. For example, we are working closely with the Department for Education to ensure that online safety, which the noble Baroness, Lady Grey-Thompson, mentioned, is part of new compulsory relationships and sex education curriculums, and that parents have the support they need to keep their children safe. We will certainly pass on my noble friend Lady Eaton's suggestions about innovation to the department.

In answer to the views of the noble Lord, Lord Puttnam, on understanding how these large sites work and what they do, we acknowledge his point. The Department for Education issued a call for evidence late last year to help shape the new content and guidance, and we expect the new curriculums to cover digital literacy and critical thinking skills. The noble Baroness, Lady Lane-Fox, had a debate recently about digital understanding, which was extremely useful and interesting. Alongside the publication of the strategy, a public consultation was launched, which asked for views on a range of new safety initiatives—this is the

scope that the noble Baroness, Lady Kidron, asked about—that included a social media code of practice, a social media levy, and transparency reporting. The consultation closed on 7 December, with a good number of responses from a range of contributions.

The noble Lord, Lord Bew, mentioned the report of his Committee on Standards in Public Life, *Intimidation in Public Life*. I think that the right reverend Prelate the Bishop of Gloucester also mentioned that. We will address its recommendations in the government response, which is due to be published shortly.

As set out in the strategy, we are working with the main social media platforms on a voluntary basis because we believe that that secures faster results. However, the previous Secretary of State was crystal clear, and the new Secretary of State agrees, that we will not hesitate to bring forward legislation, if necessary. I hope that that commitment reassures my noble friends Lady Harding and Lady Fall. The age verification protections for online pornography show that we are willing to tackle online harms through legislative means. The internet safety strategy is not the only vehicle through which we will protect children online. I am very pleased to be responding to the noble Baroness, Lady Kidron, so soon after we worked together closely on securing improvements to the Data Protection Bill. I commend her persistence and firmness, but also her good humour. We have never once fallen out—yet!

I am sure that the House does not need reminding that the Government were pleased to support an amendment to that Bill to address the concerns of any noble Lords. We supported a statutory code of practice for age-appropriate design for all information society services. We look forward to working with the Information Commissioner's Office to drive up the levels of protection afforded to children online.

Many noble Lords mentioned fake news. The Government are committed in their manifesto to protect the reliability and objectivity of information as an essential component of democracy. Work is now under way, also under the digital charter, to ensure that we have a news environment where accurate content can prevail. As my noble friend Lord Black said, it is the UK's robust, free, wide, vibrant and varied media landscape that remains our key defence against disinformation.

I shall go through as quickly as I can some of the points that noble Lords have raised. The noble Baroness, Lady O'Neill, mentioned competition policy. We have a world-leading competition regime, and we will continue to keep it under review. The Competition and Markets Authority recently announced a new technology team to strengthen its ability to deal with competition issues surrounding algorithms, artificial intelligence and big data. We are also setting up a new Centre for Data Ethics and Innovation, as I mentioned, which will be well placed to support the CMA in its work.

The noble Viscount, Lord Colville, and the noble Baroness, Lady Lane-Fox, talked about trust in the media. We absolutely agree with the trusted role of the traditional media sectors in the UK, but I do not believe that the trust has been eroded quite as much as some may fear by the newer forms of content. A recent Radiocentre survey in 2017 on levels of trust in

media sources among UK citizens found that 77% of respondents trusted radio news, 74%—just under three-quarters—trusted TV news and only 15% trusted news on social media. The public are not complete fools.

The right reverend Prelate the Bishop of Gloucester, who is my bishop, I might add—I do not mean “my” bishop; I must push on—asked why we are not establishing an independent digital commissioner. The Digital Minister, supporting the Culture Secretary, who is personally invested in raising the level of online safety, plays that convening role on this issue across government.

The noble Viscount, Lord Colville, talked about the filter bubble effect and I thank him for his interesting views on this. The Government consider the effect of news, advertising and other content being tailored algorithmically to personal preferences to be an issue. The work on the digital charter will consider this and what response is most appropriate.

I have an answer from the Box on the gambling questions that the noble Baroness, Lady Howe, asked. It says, “We will write”. It also says, “Wrong officials in the Box”. But, more seriously, I have a reply in train to the noble Baroness on this subject, following the recent debate that we had on gambling. That is ongoing and I will write to her.

The right reverend Prelate the Bishop of Gloucester talked about Germany’s new law, under which social media companies are fined for not removing hate speech on their services quickly enough. We are aware of that and, through the digital charter, we will look right across the range of potential solutions for tackling that issue. We will look at steps that other countries, including Germany, are taking to inform this work.

The noble Baroness, Lady Worthington, and the noble Lord, Lord Vaux, asked what we are doing about online anonymity, which I think is an interesting point. We asked questions about online anonymity in the internet safety strategy consultation and we are analysing those responses. We will formally respond to them soon.

Online advertising was raised by my noble friend Lord Black and the noble Lord, Lord Vaux. They were right to raise the role of online advertising in many of the issues discussed. We have a good advertising regulatory system but we recognise that there have been rapid developments in the marketplace. We are working alongside the Advertising Standards Authority to monitor developments and respond appropriately. This is a key part of much of our work under the digital charter, including ensuring that there are sustainable business models for high-quality online news media, protecting people’s personal data and ensuring that value created online is rewarded appropriately.

The noble Baronesses, Lady Benjamin and Lady Howe, asked about the BBFC and age verification in social media. The age verification regulator will not duplicate the Internet Watch Foundation’s remit. If, in the course of investigations, the age verification regulator identifies child abuse images hosted in the UK, it will report these to the IWF. We recognise the concerns about the availability of pornographic material on some social media platforms but, as we discussed during the passage of the Bill, it is our intention for age verification to apply to the pornography industry. Within the regulator’s powers will be the ability to

notify ancillary service providers, including the social media platforms, if, for example, a person is using a social media platform to market their non-compliant website.

I want to end by repeating that the Government are very much concerned about the impact that online harms are having, particularly on young people and children. That is why we are launching a range of initiatives to keep people safe online—and we agree with the noble Baroness, Lady Grey-Thompson, that social media sites should take responsibility. Social media platforms should be aware that, if we do not get results, we will not be afraid to go further.

5.34 pm

Baroness Kidron: I would like to be the first member of the data users union proposed by the noble Lord, Lord Knight. I hope that other noble Lords would like to join me. It is an excellent idea. In my excitement at starting the debate I forgot to declare my interests as set out in the register, including that as founder of 5Rights.

I think it is fair to say that you could characterise our feeling towards online services and social media as a combination of loving someone who is behaving badly, the frustration with an 18 year-old who does not quite know that they have grown up and is supposed to behave in a different way, and a palpable fury at corporate indifference on certain important subjects. However, it is too easy to just look at it that way. All those things are true and I share all those views, and I thank all noble Lords who have spoken in this fantastically interesting and progressive debate. However, what I heard most was our failure to articulate an ethical standard by which we want the industry to behave so that we can then meet it halfway. That was what came out of today’s excellent debate—questions of democracy, accountability, transparency, monopoly, tax regimes, codes of conduct and global consensus on governance. These are matters for society. If we are to have the society that lives by the values we want, we have to show leadership. I say to the Minister that I think the Government are showing leadership, which I welcome. I again thank all noble Lords for their contributions. This has been, by all standards, a wonderful debate.

Motion agreed.

Iraq: Religious and Ethnic Minorities *Question for Short Debate*

5.37 pm

Asked by The Lord Bishop of Coventry

To ask Her Majesty’s Government what is their post-conflict strategy for protecting the rights of religious and ethnic minorities in Iraq.

The Lord Bishop of Coventry: My Lords, imagine what it was like, having been hounded out of one’s home when Daesh took control of Mosul, to be back there on Christmas Eve among 2,000 worshippers for the first celebration of the Mass in three and a half years. But then imagine the scene only hours afterwards—

[THE LORD BISHOP OF COVENTRY]

not only the church but also the city again almost entirely bereft of Christians because it is still not safe enough for them to return permanently.

What can be done to give Christians, Yazidis, Turkmen, Sabians, Yarsanis, Shabaks and other vulnerable religious and ethnic communities in Iraq confidence that they have a future in their own land—and why is it vital for that land and that region that their confidence is regained? I will make three contentions. First, the recent military victory over Daesh is only the first step of its defeat. As General Paul Funk, commander of coalition forces in Iraq, recently said, Daesh's,

“repressive ideology continues ... The conditions remain present for Daesh to return, and only through coalition and international efforts can the defeat become permanent”.

That is exactly the fear of minority communities in Iraq—that unless the causes of the violence are rooted out, it will return and, as before, minorities will be the first victims. They look not only to the chaos that ensued after the 2003 invasion, and the reduction in the Christian population, for example, by some 75% by 2014, but back to earlier cycles of violence which, wave after wave, eroded their security and forced former generations to flee.

Secondly, the UK has both a moral responsibility and a strategic interest to help secure a stable and flourishing Iraq. The UK's deep involvement with Iraq, right up to its part in the military coalition, places a moral burden on us for a long-term commitment to a coalition of reconstruction. Success in Iraq, so long a land marking the failure of British foreign policy, is of vital strategic importance. Daesh might be like a Hydra, with heads surfacing across the world, but if it could be fatally wounded in the country of its birth, it would be starved of vital sources of energy, morale and inspiration.

Furthermore, Iraq may have become a land where Yazidis, Christians, Turkmen and other minorities have suffered unspeakable brutality, where tensions between Shia and Sunni Muslims have spilt blood that has run deep into the soil of the nation, and where the aspirations of Kurds and Arabs divide the country. But it is also a land with a longer history of religious and ethnic coexistence. If that tradition could be harnessed in a renewed political and civic culture that builds an equitable, just and participative society in which all communities can flourish, the region will see that its religious and ethnic diversity can be a source of its strength, not a cause of its collapse, and the world will become a safer place.

My third contention follows on from these two. The protection of religious and ethnic minorities is critical to the future of a secure and politically stable Iraq. Their presence in Iraqi society is a barometer, both of whether the conditions which give rise to violent extremism have been dealt with and of whether it is the sort of society where the capacities of all its citizens can contribute to the common good and to the flourishing of every community.

A basic need that minority communities share with others is the material reconstruction of cities and villages devastatingly damaged by conflict. Her Majesty's Government have already dedicated resources for

“immediate repairs”. However, this week the US substantially increased its financial contribution to Iraq, and the EU announced its long-term commitment, both financial and strategic. Can the Minister therefore say what are the long-term, post-Brexit intentions of Her Majesty's Government to lead and to shape an international effort to help the Iraqi authorities to rebuild the infrastructure of their land, on which a settled future depends, and how will this leadership be demonstrated at next month's Kuwait conference? Given Daesh's targeting of property owned by minority communities, some 50% of whose houses have been damaged or destroyed, will the Government use their influence to ensure that Christian, Yazidi and other communities receive a fair share of that aid?

Material construction will be of use to Iraq and the region only if it is accompanied by social reconstruction, and that depends on the reconstruction of trust. For the minority communities, trust will be hard to rebuild. In my own visits to Iraq, it is the almost total breakdown of trust that has struck me as the greatest threat to the future of minority communities: trust in the international community, trust in the Iraqi and Kurdish Governments and their ability to deliver on their promises and truly to enact Article 14 of the constitution, with its commitment to equality of all before the law, and trust between neighbours where, for example, Christians found themselves betrayed by Muslims with whom they had lived for years. In meetings with Ministers of the Baghdad Government, including the Prime Minister and the President, I was impressed with the commitments they voiced about the necessity of religious and ethnic minorities to the future of Iraq. But the contrast with the doubt in the communities themselves that the Government would turn their words into action was very marked.

Security, of course, is an urgent need, as well as a fundamental right. With this in mind, I ask the Minister whether Her Majesty's Government will use every effort to empower the Iraqi and Kurdish Governments to ensure that the forces under their control work together to protect all members of their society, especially the vulnerable communities residing in the liberated areas of the Nineveh Plains and Sinjar, and that they do not rely on Shia militias?

Despite the terrible tears in the fabric of Iraqi society caused by betrayals of trust, there are already remarkable examples of civic society beginning to repair it—a symbol of which was the way that the cross on the church at the Mosul Mass was erected by a group of young Muslims. Yet there are interventions that the Iraqi and KRG Governments could make, though their exercise of the law and shaping of culture, to support and quicken these efforts.

The high proportion of young people in Iraq means that there is great potential to create a new culture of understanding and respect through education. The Iraqi Government can play an important role by reforming and policing how minorities are spoken of in educational curricula and course materials in state and in non-governmental religious schools, and also through all forms of media, including media used by religious bodies. How will Her Majesty's Government encourage the Iraqi authorities to take bold steps to create a

culture, through education and media, that celebrates the diversity of its people, affirms the historic place of its ancient minority communities in the nation, and addresses the legal and administrative systems that reinforce the sense of vulnerability and discrimination, such as the proposed registration of children as Muslim if either parent converts to Islam?

I conclude with the words of a priest of the Assyrian Church of the East administering in Dohuk spoken to me just a few days ago. I asked him what he would particularly like to convey to this House today. His reply was hauntingly realistic but inspiringly idealistic. “We may not be able to restore the Christian demography that we had in the past”, he said, “but we can preserve for the future a presence and role for the Christian community in our society so that through our schools, our skills and our hospitals we can serve all the people of this land”. My hope for this debate is that it will play some part in fulfilling the prayer of that priest and of others from the array of Iraq’s ancient, small, suffering communities who long for a future in their own homeland.

5.45 pm

Baroness Anelay of St Johns (Con): My Lords, I am grateful to the right reverend Prelate for securing this debate in such a timely way, just a month after the announcement by the Prime Minister of Iraq that the war against armed groups there was over, as he said. So today we can focus on what it means to “win the peace” while being aware of the problems that crucially still face Iraq.

Daesh no longer holds significant territory there but, although it is failing, it is not yet wholly defeated and still poses a threat to Iraq. Yet the successes of the Iraqi Government, including those of the Kurdistan Regional Government, are immensely important. They signal a new chapter leading towards a more peaceful and prosperous country—or, at least, they can if we and the international community work together with the Iraqi Government to seize opportunities that ensure that we do win the peace.

I was therefore encouraged to see that when our Prime Minister visited Iraq last month, she gave our support to that objective and made it clear that it meant addressing the issues which led to Daesh’s rise. We must recognise that the challenges facing minorities did not begin with Daesh and will not end with its defeat alone. They go much deeper in Iraqi society, and solutions must therefore be far reaching and confront long-standing issues of discrimination, exclusion and marginalisation.

As the UN special rapporteur made clear in her report to the United Nations Human Rights Council, the primary responsibility for the protection of civilians lies with the Government of Iraq, but it is vital that the donor community continues and enhances its generous support to match the massive need for humanitarian stabilisation and development assistance. Over the new year, our inimitable Foreign Secretary said, referring to UK aid:

“The old jam jars are being smashed. The cash will be more sensibly distributed with a view to supporting British foreign policy”.

What impact does the Minister expect that to have on future UK spending in Iraq?

In the autumn of 2016, I hosted an FCO two-day conference on how freedom of religion or belief can contribute to preventing violent extremism. The conclusions reached were that all communities need to be accorded the same rights as the remainder of the population; that education is a vital tool to ensure that children understand the need to respect everyone equally, regardless of their religion; and that legal systems should not discriminate against individuals on the basis of their religion. Will more UK funds therefore now be directed, for example, at supporting respect for freedom of religion or belief and ethnic diversity? Can the Minister update the House on the impact of projects currently funded by the FCO, DfID and the Conflict, Security and Stability Fund—after all, more than 3 million people are now internally displaced and over 10 million people are in need of humanitarian assistance?

While I was in Baghdad, I met Christian families who had fled from Qaraqosh and were given shelter by the remarkable Father Pios. In Erbil, I visited the Harsham IDP camp to hear directly from displaced families. In both cities, the concerns were the same: they are far from home and want nothing more than to return, to rebuild their lives and their country. But first they want to be sure that they can return in safety and have the chance to earn their own living again. What work is being done to ensure that IDPs from ethnic and religious communities are treated in conformity with international standards, including the guiding principles on internal displacement? Has progress been made on ensuring that the UN agencies and NGOs are better able to co-ordinate their response, including ensuring that aid reaches minority groups?

As the right reverend Prelate said, a successful peace depends on political stability. That requires public trust in a unified, independent and sovereign Iraqi state. What encouragement have our Government given the KRG to respect the Iraqi Federal Supreme Court ruling on the unconstitutionality of the referendum that was held last September? What is our Government’s assessment of the likelihood of success for resolving the historic differences between the KRG and the GOI, consistent with the Iraqi constitution?

Winning the peace also means finding a way to recognise the suffering of those who have been killed, raped or enslaved by Daesh. I therefore welcome the decision by the United Nations Security Council to gather and preserve evidence of Daesh’s crimes across Iraq.

When in Baghdad, I launched an Arabic translation of the United Kingdom’s protocol on the documentation and investigation of sexual violence in conflict. Later, here in the House of Lords, I and the ambassador of Iraq and the high representative of the Kurdistan Regional Government launched the Kurdish translation. I am grateful to both of them for their support. Can my noble friend give an assurance that the UK’s PSVI work in Iraq will continue alongside that of the United Nations?

There is still a long way to go, but I am impressed by the enormity of Iraq’s potential and the resilience of its peoples—as the right reverend Prelate said, they

[BARONESS ANELAY OF ST JOHNS]
are Sunnis, Shias, Kurds, Yezidi, Turkmen, Armenians, Shabaks, Christians, Jews, Kakai and more; that is what makes it so special. Iraq is a country of such great diversity, and has had a rich mosaic of ethnic, religious and linguistic communities for centuries. It is the “cradle of civilisation.” I welcome the fact that our Government have, along with the international community, worked hard to complement the efforts of the Iraqi Government. Now is the time to stand shoulder to shoulder with the Iraqis until the dream of a secure and prosperous future becomes a reality.

5.54 pm

Lord Glasman (Lab): My Lords, I am grateful to the right reverend Prelate for introducing this debate and for his sustained interest, ethical and empirical, in what is going on. I declare an interest in that I am the vice-chair of the APPG on Kurdistan and have been to Irbil and to the KRG region several times over the past years.

I would like to share with noble Lords a couple of anecdotes from that time. The first was during a visit to Kirkuk, when it was under Kurdish government, and to the church of the red stone, where the congregation still spoke Aramaic. It was extraordinary that that was still alive in their lives. There used to be a congregation of many thousands, but it is now a few hundred. When I went to visit, each of them carried a photograph of a relative who had been killed in the previous 10 years—assassinated for being Christian. As they sat in the church, I said to them, “What are you doing? What are you waiting for?” They said, “We are waiting to die”. They claim that the church was founded by St Thomas, and so it is a story of the terrible loss of a culture that has existed since that time. It is extraordinary that there is still a continuity of Christian communities that speak the language of Jesus, and it is terrible to see their loss and decimation. In 1914, Baghdad was still a majority Jewish city; there are now no Jews left in the area. We should not be narcissistic: the Iraq war accelerated trends, but it did not create those trends, which are long-standing.

My second anecdote comes from a refugee camp near Kirkuk at the time that ISIS, having captured Sinjar, had just been pushed back from Sinjar and Nineveh by the Peshmerga. I met the noble Baroness in one of those dreadful marble hotels in the green zone in Irbil during that time. I spoke to the Christians and the Yazidis there, and they told me stories of rape and theft. The Bibles that they had carried through generations had been stolen from them, and that was as great a dispossession as the loss of their homes. The Peshmerga had just liberated that territory from ISIS and the governor of the region announced joyously to them that they were all free to return home. Not one moved. They did not move because, as the right reverend Prelate said, their neighbours had attacked them. They were subjected to murder, their homes were taken by their neighbours and they felt no security. It is extremely important to understand this rupture of trust.

As to what the Government should do, it is time to think boldly, initially in regard to the refugee camps. I witnessed in the refugee camps that there was some degree of solidarity for the Sunni Muslims there,

sponsored by Turkey and Saudi Arabia; the few Shia who were there had support from Iran; but there was no systematic solidarity for the Christians or the Yazidis. There was no prayer space for Christians and no support. Another dreadful anecdote is that Bibles were sent, but they were in Arabic and not Aramaic and so were of no use to the local people there. The Government may have given up on the big society in our country, but perhaps they could revive it in these refugee camps and introduce leadership training for Christians and Yazidis who have had their communities smashed. There is no leadership there. They felt that no one was speaking for them and that they had no champions at all. They are the weakest and poorest, and it is right that we should show some special solidarity. As I mentioned, although there is the story that the Christian community is somehow colonial or that they are collaborators, this is far from the truth. Christians have been established in the region since before Islam, having been there for 2,000 years. Given what they have been through, it is right that there should be some solidarity with them.

I want also to echo what the noble Baroness said because it is not to be underestimated. We are talking about religious and ethnic freedoms, but the systematic subjugation and rape of women under Daesh was one of the most wicked things we have seen in our lifetime, so it is important that women are part of the leadership and community rebuilding effort. The Government should turn their attention to the very weakest and poorest who have been marginalised. Christians and Yazidis, particularly the women among them, should be given direct support by us, in particular in the refugee camps, where harassment and rape is still going on. That was recounted to me by the people there, and they said that they really had nowhere to turn.

Following on from that, the noble Baroness mentioned the referendum. Kirkuk is now no longer under Kurdish rule, along with the disputed territories, but it is still worth mentioning that the Kurdish Regional Government took in so many refugees that the population was increased by a third. It is absolutely vital that we continue to support the KRG in the solidarity that they are providing for these refugees. That is one way in which we can sustain meaningful relations. I would be very interested to know, because it is difficult to get information—all I have is anecdote—about the situation for minorities, including the Kurds in Kirkuk. I hear that it is not good since the Iraqi army took over, and there has been a suppression of the Kurdish language. That situation is worth keeping an eye on.

Once again, it is with gratitude that I have participated in this debate. We must persevere in showing solidarity with the Christians and the Yazidis in the area, who have experienced the worst possible dispossession.

6.01 pm

Baroness Hodgson of Abinger (Con): My Lords, I too would like to thank the right reverend Prelate for introducing this debate today. Iraq is a country that has suffered for many years: first under the 24 years of brutal dictatorship of President Saddam Hussein; since the invasion by the US and the UK in 2003, there has

been a lack of security in much of the country; latterly, as we have heard, it has been Daesh that has been wreaking havoc, as it extended its caliphate, overrunning large areas of northern and western Iraq, including the key city of Mosul.

The attack by Daesh on religious minorities has been utterly horrifying. The UN has recognised its targeting of the Yazidis as a genocide, forcing them to flee from their ancestral lands in northern Iraq, with thousands massacred and many of the women being taken prisoner and forced to become sex slaves in Iraq and Syria. That has created half a million refugees. Who can forget the terrible pictures on the news of the Yazidis having fled to Mount Sinjar?

The targeting of Christians in Iraq predates Daesh. Some left after the first Gulf War, but there was a series of attacks on Christian communities as security broke down following the UK/US invasion. However, Daesh too has severely persecuted Christians, also recognised by the EU, the UK and the US as a genocide, causing many to flee. A decade ago, as we have heard, some 35,000 Christians were living in Mosul, but today very few remain. As Daesh has now mainly been defeated in Iraq and the media spotlight is turning elsewhere, I am so glad that we have the chance to discuss the situation in Iraq and how we can protect people going forward, because the situation there, while improving in some ways, is far from settled.

Without wishing to downplay the terrible suffering that religious minorities have incurred, it is the Kurds whom I would particularly like to speak about today. The Kurds are the largest ethnic minority in Iraq, comprising between 15% and 20% of the population. In September last year, I went with the APPG on Kurdistan to observe their referendum. With the benefit of hindsight, it is perhaps a shame that the Kurds were never given their own land after the First World War, as they are not really happy in any of the countries—Turkey, Iran, Iraq and Syria—that they are living in today. It is worth remembering that the Kurds have had a particularly terrible time in Iraq. They were oppressed by Saddam Hussein, especially after the first Gulf War, and endured what the other place officially recognised in 2013 was a genocide. We were taken to see the torture chambers in Sulaymaniyah—a place that I never want to visit again—where the Red House museum shows the grimly ingenious means used to rape, torture and murder.

We were told that Saddam Hussein had pushed the borders of Kurdistan back when he was forced out of much of Kurdistan in 1991. After his fall, the Kurdistan Regional Government was established, and in recent years there has been inward investment from the West, especially to Irbil. With the arrival of Daesh, the Kurdish Peshmerga force more than played its part when the Iraqi army was put to rout. This seems to have caused some anxieties to some Iraqis, as the Kurds fought Daesh in areas technically outside today's Kurdistan. Kirkuk would have fallen to Daesh if the Peshmerga had not immediately reinforced their position there, and security was improved under Kurdistan control.

There is also a religious slant, in that the Kurds are mainly Sunni Muslims and the Baghdad Government have a strong Shia leaning. We were told that the

agreement between the Iraq Government and the KRG had been broken by the Baghdad Government, who had withheld funding to Kurdistan from 2014. This was causing much difficulty, especially in paying government employees. I also understand that the Baghdad Government were trying to influence other countries not to buy oil from Kurdistan, which was its only source of revenue.

The Kurds had been threatening to have a referendum since 2014 as a result. Although they had been advised by the UK and other international interlocutors not to do so, they told us that they felt that there was never going to be a “right time”. However, everyone we spoke to there said that the results of the referendum would not lead to an immediate declaration of independence, but that they hoped it would lead to negotiation with Baghdad to start state building. Many we met were bewildered by the lack of UK and western support for their referendum. I was told that they always felt that we were talking about democracy and that they were trying to exercise their right to self-determination.

I suspect that the result of the referendum came as no surprise: on a turnout of 3.3 million Kurds—in excess of 70% in the autonomous and disputed regions—93.25% were in favour of independence. The Iraqi Government immediately demanded that the KRG hand over control of their international airports at Irbil and Sulaymaniyah—they had always been controlled by Baghdad—and all international flights were stopped, except for military, diplomatic and humanitarian flights. This has resulted in many foreigners leaving Kurdistan and has, in some cases, affected the work being done by the NGOs. The Iraqi army violently took back Kirkuk and the disputed territories.

The surrounding countries also condemned the referendum, with Iran swiftly closing its borders and then carrying out threatening military exercises along them. Turkey's immediate response was to threaten military action too. At the end of October, Masoud Barzani resigned as president.

Where does this leave the Kurds now? While I understand that the UK did not support the referendum and wished for a one-country solution, surely we need to recognise that the situation in Iraq has not been satisfactory for the Kurds. The UK has been providing military training in Iraq, with a base in Irbil. Are we providing the same training to the Iraqis and the Kurds? While Daesh has been defeated, in Kurdistan we heard about people suffering from roaming Shia militia, every bit as brutal as Daesh, so the Kurds still have a need to defend themselves.

Without doubt, the referendum has been a disaster for the Kurds, who are now being squeezed economically. They have lost the disputed areas. Whether the Baghdad Government or the KRG controls the disputed territories, they are still disputed territories that require the implementation of the article of the Iraqi constitution to hold censuses and then referendums so the people can decide whether they wish to be part of the Kurdistan region.

Many people I spoke to talked about a pluralistic approach in Kurdistan and we should recognise that the Kurdistan region has provided sanctuary to very

[BARONESS HODGSON OF ABINGER]

many Christians who live there peacefully and practice their faith without hindrance, as I saw for myself when I visited St Joseph's Cathedral in Irbil.

As I understand it, the Baghdad Government have not shown any signs of wanting to help re-establish a better relationship. However, I am glad that the UK has joined countries such as France, Germany and the USA in encouraging dialogue between Irbil and Baghdad. I am also pleased that the Prime Minister has invited the KRG Prime Minister to London for talks, maybe as early as this month.

I ask my noble friend the Minister: what is the UK's stance, and are we trying to help find a peaceful and sustainable solution that will ensure that the rights of the Kurds are upheld? Are we encouraging the UN to intervene here to help? Just doing nothing and allowing the present crisis for the Kurds to simmer for years will damage them in the long term and deprive Iraq and the world of a potentially dynamic and reforming country that has done so much to stabilise and improve Iraq, protect religious minorities and resist Daesh.

6.10 pm

Baroness Deech (CB): My Lords, this is a double tragedy being brought to light by the right reverend Prelate: first, the persecution and extermination of religious minorities—Christians, Jews, Yazidis and others—and, secondly, the failure of the international organisations that should protect them or at least focus on the situation. That failure is most aptly attributed to the UN Human Rights Council, which has become a travesty of its name.

Sometimes it is difficult for us here in this tolerant country to understand the role played by religion elsewhere. In the area under debate today, it is not just a question of choice of belief; religion equates with identity. Indeed, one reason why so many countries in the Middle East are in turmoil is that the nation states there, sometimes created by western colonialists 100 years ago, do not coincide with religious boundaries. Those new states have bundled together people who identify with their communities across boundaries rather than in their own neighbourhoods. To be a religious minority is seen by the ruling class as if one was a foreigner at best and a traitor to the community at worst. It has become especially dangerous to be a minority since the rise of Daesh. Nor is this attitude confined to Muslims; we have seen the atrocities committed against the Rohingya Muslims in Burma by the majority. But in determining cash and protection allocation, the UN High Commissioner for Refugees does not include religious persecution as one of the vulnerability categories. It is time for religious persecution to be up front in UN relief work. Will the Government urge the UN bodies to confront this?

Religious tolerance has been on the decline in Iraq since the 1920s, in tandem with the rise of Arab nationalism and the growing Islamisation of Iraq's society and state. A good example is the expulsion of the Jews in the 1950s. Today, it is the Yazidis, Palestinians and Christians under threat.

The Jews of Iraq had a history going back 2,000 years; now they are non-existent. A century ago, one-third

of Baghdad's population was Jewish. We have heard much about the centenary of the Balfour Declaration in recent months. One aim of that important document was that,

“nothing shall be done which may prejudice the ... rights ... or the ... political status enjoyed by Jews in any other country”.

What followed was the persecution, killing and expulsion of Jews across the Middle East. Jews allegedly came to Iraq after the exile from Jerusalem in 587 BC. Babylon was a focus of Judaism for more than 1,000 years. A millennium later, Islam arrived there and persecution started. In the 1930s, Iraq followed the German lead in barring Jews from education and the professions. In imitation of the Nazis, there came a pogrom, or “Farhud”, in June 1941, during which an Iraqi mob burned Jewish property, looted houses and hundreds of Jews lost their lives. After the creation of Israel, things got even worse for the Iraqi Jews, regardless of their political affiliation.

Jews were dismissed from virtually all jobs, and to be suspected of being a Zionist was punishable by execution. At first, they were forbidden to emigrate; it later became government policy to get rid of them all. Nearly all the Jewish families left in the 1950s, and their property was forfeit. Saddam Hussein hanged nine Jews as supposed traitors in front of a crowd. The United States has guarded the significant archive of Jewish artefacts in Iraq, all that remains of the community, but is likely to return it to Iraq. Will the Government urge the US to continue to protect that archive?

This year, a new law by the Iraqi Government will target Palestinians living there. It will effectively abolish rights given to Palestinian refugees, causing them to be treated as foreigners rather than nationals, even if born in Iraq. The new law deprives Palestinians living in Iraq of their right to free education, healthcare and travel documents, and denies them work in state institutions. Most of that community has gone to other countries, such as Canada, Chile, Brazil and elsewhere in Europe, where they are better treated than they have been in their homelands. Will our Government press the Iraqi Government to reverse this law, number 76 of 2017, and condemn the treatment of Palestinians in Iraq?

One remedy for this grave situation lies with the British embassy. In Iraq and elsewhere in the Middle East, a human rights focus should be incorporated into embassy work and our diplomats should monitor freedom of religion. The Foreign and Commonwealth Office has issued guidance on how to handle discrimination and suggests that countries that deny freedom should be asked to accept a visit from the UN rapporteur on freedom of religion and belief. It is noted that the UK can support, from the aptly named Magna Carta fund, individuals and organisations working to achieve freedom of religion. Our diplomats can visit victims, attend trials and lobby ministries.

I fear that these excellent intentions may not achieve much, because at the apex of all international effort lies the UN Human Rights Council, a body now so perverted that it no longer makes sense to support it. What is the use of the UK lobbying other countries and supporting UN resolutions on religious persecution when the UNHRC is peopled

with representatives of the most egregious offenders? Iraq is a member of the UNHRC, along with Saudi Arabia, China and Venezuela, to mention just a few. When Iraq campaigned for membership of the UNHRC it cited in support the happy condition of the Christian minority. In China, 1.3 billion people are denied freedom of speech, assembly and religion. Tibet is occupied and Tibetans tortured. In Russia, dissidents are harassed, arrested and assassinated. Crimea is annexed and Ukraine bombed. In Saudi Arabia beheadings are at an all-time high and they bomb Yemeni civilians. The response of the UNHRC is largely silence and the welcoming as members of those atrocious states. Only one country is permanently on the agenda of the UNHRC and that is Israel, targeted by the Arab members in an effort to deflect attention from themselves.

Earlier this year our Government thankfully became a torch-bearer for the truth. The British mission blasted the UN body as biased and overly focused on Israel. The UNHRC has breath-taking double standards and is outrageously biased against the only country in the Middle East whose Christian population has grown, namely Israel. It is time to call out the hypocrisy of the UNHRC, as a preliminary to safeguarding the religious minorities of Iraq and the wider Middle East. Will the Minister ensure that the UK's place on the UNHRC is, as it was in the past and I hope will be in the future, to tell the truth and defend the persecuted?

6.18 pm

Baroness Berridge (Con): My Lords, I too am grateful to the right reverend Prelate the Bishop of Coventry for securing this debate. I declare an interest as co-chair of the All-Party Parliamentary Group for International Freedom of Religion or Belief. Other noble Lords have eloquently described the plight of different religious minorities in Iraq and the UK aid and military support that has been devoted to restoring the territorial integrity of the Iraqi nation, so I will instead focus on three major areas—leadership, aid delivery and refugee policy—which, if addressed, can help to significantly improve conditions for Iraq's religious minorities.

I am concerned that there is still an absence of leadership or proper planning for the protection of Iraq's religious minorities. Neither the UK, Iraq nor the international community has a comprehensive plan that addresses their significant and complex needs for security, reconstruction and support to return home. While every country is sensitive to such outside interference, Article 2.2 of the Iraqi constitution states:

“This Constitution guarantees the Islamic identity of the majority of the Iraqi people and guarantees the full religious rights to freedom of religious belief and practice of all individuals such as Christians, Yazidis, and Mandaean Sabians”.

Any such plan is merely bringing reality to this lofty constitutional provision, so I hope that my noble friend will agree to prioritise the development of such a practical plan of action, especially around the rehabilitation of liberated areas in Nineveh, Sinjar and Mosul. Her Majesty's Government can also provide leadership by requesting that the Kurdish regional Government and the Iraqi Government develop similar plans of action.

A second major concern is the ongoing, persistent reports that religious minorities in Iraq are being bypassed by international humanitarian aid. Recently—in 2017—four members of the US Congress wrote to USAID, expressing the concerns of many NGOs that US aid money was not reaching religious minorities. The letter stated that there are credible reports of significant corruption in the UN bidding and contracting process for stabilisation projects in Iraq. NGOs, including Aid to the Church in Need, that work with religious minority groups in Iraq have also consistently stated that aid money channelled through the UN has not been delivered quickly enough to support reconstruction. US Vice-President Mike Pence stated on October 26 last year that US aid in Iraq would now bypass the United Nations, and that its aid intended to help Christians and Yazidis will now go directly to Christian charities and other NGOs on the ground. While domestic US politics is clearly affecting such policies, these persistent reports need thorough investigation.

In principle, an individual's faith is not in itself a criterion for vulnerability. If, however, a faith community will not be worked with by others and is discriminated against, is there not a point at which the consequences of that group's identity—an identity defined by faith—leads to vulnerability in practice? I join with the comments of the noble Baroness, Lady Deech, who said that there is a naivety in the UN about the impact of faith identity on the practical delivery of help to people in such religious minority communities.

I recognise that it has been very difficult for NGOs to provide the kind of evidence to Her Majesty's Government to resolve these ongoing claims. So will the Government conduct an independent review of, or request that the UN reviews, DfID's aid delivery mechanisms in Iraq to evaluate these claims that aid that is paid for by the UK taxpayer but delivered through the UN is not reaching religious minorities? Such claims are undermining the legitimacy of the UN in the eyes of many, not only the Americans.

On refugee policy, late last year the Home Office released statistics relating to the religious make-up of the population who have been resettled in the UK. The UNHCR, on which the UK Government rely, has not referred vulnerable religious minorities from Iraq for resettlement in the UK, despite the Syrian vulnerable persons resettlement scheme being expanded to include people of other nationalities.

Investigation is also needed to determine whether this is due to insufficient outreach by UNHCR to such individuals, unconscious or conscious bias in locally hired UNHCR asylum interviewers, or that scheme's vulnerability criteria still not being defined widely enough. Those criteria do not include religion or religious persecution. Organisations such as Open Doors International and others have carried out extensive research highlighting that religious minorities are often scared to go to camps, due to the fear of harassment and violence as well as mistrust of UN staff who are of a different faith from their own. Will my noble friend the Minister undertake also to investigate why Iraq's religious minorities are not being referred by UNHCR and resettled here in the UK under the expanded scheme?

[BARONESS BERRIDGE]

As a donor, DfID could require its partners to include protecting religious minorities in their programming. DfID could also play a role in ensuring greater accountability of aid funds in respect of religious minorities by asking for its partners, such as the UNHCR, to provide regular reporting with quantitative data on issues relating to religious minorities. For example, they could report on how many religious minorities are in the refugee camps and how many cases of violence against minorities have been registered while there.

Finally, in April last year, the UK dedicated a substantial aid package for Syrian refugees in Turkey, Jordan and Lebanon. This funding is aimed at providing more education, skills and jobs for refugees. Unfortunately, that package of support does not apply to refugees from other countries, including Iraq. Extending these benefits to other groups could greatly improve the situation for Iraqi refugees in those countries and ensure that there is no discrimination on the basis of nationality for those who have been persecuted by Daesh. DfID offices in those countries could also develop practical plans to help religious minorities and ensure that they benefit from such support, as many refugees from religious minorities continue to state that they are not being provided for by international aid systems.

By providing practical leadership to ensure that UK aid reaches those most in need of it and that refugees from religious minorities are not discriminated against, the UK Government can significantly help religious minorities in Iraq. I began by thanking the right reverend Prelate for this debate, but I am aware of the complexity and detail of various issues and I hope other noble Lords would value a meeting with the Minister to discuss in detail the issues raised.

6.25 pm

Lord McInnes of Kilwinning (Con): My Lords, I, too, begin by thanking the right reverend Prelate for bringing this issue before the House. It is important not just because of the desperate needs of the minorities in Iraq, but because Britain has a significant strategic interest in a stable and reconstructed Iraq that can in many ways be a beacon to the rest of the Middle East for how to move forward in that troubled region.

Iraq is the ultimate salad bowl. If we look at Iraq on the basis of religion and ethnicity, it is made up entirely of minorities. That is why, as the noble Baroness, Lady Deech, said, it is important for the state that was created by the Sykes-Picot agreement to avoid any religious or ethnic group being overdominant. Otherwise, we will see a repeat of the unfortunate history of much of the 20th century. It is important to begin by thanking the Iraqi and Kurdish peoples for ensuring that Daesh was defeated in their territories. Three or four years ago, we would have thought that the coalition would face a very tough challenge to achieve that, and it is a testament to all the minorities of Iraq and the KRG that that has happened.

In the important mix of diversity that has existed in Iraq for the last two millennia, the pressures we are discussing this evening are not new. The oppression of Christians, Yazidis and other minority groups has

continued for century after century. The most recent campaign against the Yazidis was the 74th in the past 500 years—an incredible figure. As the noble Baroness, Lady Deech, and the noble Lord, Lord Glasman, said, what changed over the past 70 years was that the persecution became far more focused on ending diversity and producing demographic change to favour whichever group was dominant at the time. In many ways, it began 70 years ago with Iraqi Jews, and now Christians, Yazidis and other minorities face the same challenge. Those challenges are compounded by the fact that so many of the minorities of Iraq are in the northern part, on the front line of conflict, in areas the Iraqi state and the KRG have found difficult to police and for which to provide sustainable government and a state apparatus that can command public trust, as the right reverend Prelate said. Constant power vacuums and militias are not conducive to a safe environment for any minority.

The oppressions of the past, the political instability and the ongoing demographic changes have created a situation where emigration is the only option for many people. As we have heard, over the past 20 years the number of Iraqi Christians has declined from around 1.4 million to around 300,000. We should be realistic: many among the non-Muslim minorities now in Iraq intend to emigrate and are still there only because of President Trump's erratic immigration policy and the deficiencies of our own refugee policy in terms of supporting minorities.

I very much feel that it is the responsibility of the Iraqi Government, supported by Her Majesty's Government, to focus now on ensuring that all Iraqis have the opportunity to stay and thrive in the current Republic of Iraq. The defeat of Daesh gives us an opportunity to restart that process, and there are a number of measures which I hope Her Majesty's Government will feel able to support.

The first is reconciliation. Although it is obviously important that we invest aid in infrastructure and bringing back communities to a sustainable way of life, it is also important that we invest significantly in reconciliation, especially when so many millions of people are internally displaced. It is welcome that Her Majesty's Government have already committed £38 million to that, but we need to do more. Too often, the aftermath of being caught in a war zone—along with the looting, the physical destruction and the doubt over changes of ownership of property for returnees—leads to a barrier to people returning. We need to build trust, as the right reverend Prelate said, and that will only be done by investing in new buildings, in tribal religious and ethnic links, and in integration.

We also have to ensure that minorities are able to come together in a critical mass which allows them to continue to exist. Otherwise, we end up in a self-fulfilling cycle of ever-diminishing communities which are no longer self-sufficient. I hope Her Majesty's Government will make representations. I was very concerned to read at the weekend that some internally displaced people in Iraq are being forced back early to their communities to ensure that the election can take place later this year. It is very important that people return only once they are confident enough to do so, and with their consent.

It is of course vital that there is proper, guaranteed minority representation in government. In both Iraq and the KRG, minorities must feel that they have a direct link with government and are not just subsumed by the majority. These people have often suffered because of the rule of militia and other dominant forces that are seen to be in charge of policing and security. It is vital that they have confidence in the transparency of the police and security forces in the areas they live in, but we also need to be very mindful that security forces cannot follow a policy, as they have sometimes in the past, of divide and rule.

We have witnessed the most awful persecution of Iraqi minorities over the last 70 years. It is in all of our interests that the sustainability of a diverse Iraqi state is supported. We need to do all we can to support the Iraqi Government and the KRG in achieving that.

6.33 pm

Lord Griffiths of Burry Port (Lab): My Lords, I am grateful for this opportunity to speak in the gap and I will not detain your Lordships long. I am delighted that it is the right reverend Prelate the Bishop of Coventry who brings this Question to our attention. The city, diocese and cathedral of Coventry have very long, historic and rich relationships with Iraq, and have even provided a vicar of Baghdad in the past, which is quite an achievement if you think about it. I hope that when Coventry is the City of Culture, and we are all flocking to see its riches, some way will perhaps be found to increase the awareness of the visitors coming through of this dimension of Coventry's corporate life and its international relations. I am grateful for the opportunity to speak in a debate that is led from that city.

I do not have much to say except to endorse what has been said. The terrible things that have happened historically to Iraq, such as Saddam and his Baathist, pan-Arab attempt to coerce, in the Middle East in general, support for a movement that would have brought its own destruction on many.

Then there was the Iran/Iraq war, with all its folly and loss of life; the use of chemical weapons, which brought its own victims; the virtual elimination of the habitat and many of the Marsh Arabs. I would add to the list the United Nations sanctions, which were not hugely successful—500,000 children were said to have died because of how Saddam Hussein administered those sanctions. Then there were the events of 2003 and Daesh immediately afterwards.

What a litany of disaster and destruction that represents. What terrible pictures we see on our television screens of inexorable suffering and the destruction of habitats and cities, with buildings hollowed out. How on earth will it be rebuilt? I am glad to hear of some of the efforts that will be made in that direction.

This debate is about honouring the presence of Christians and asking that, as a minority—an indigenous minority who have lived in that part of the world for so long—their plight should be recognised and that we should do our best to find the right way to support them as the future unfolds.

That is not an easy task. We are told that 3% of the people of Iraq are from non-Muslim faith groups. Is that already too small a base to suppose that it can be

regenerated and find self-sustainment in the way that the noble Lord, Lord McInnes, described? Then we have the other difficulty of perception. Any attempts we make must be so nuanced. Perhaps the people of Coventry know more about this than anyone. Christians, for all that they have been there for 2,000 years, are still perceived as, or at least called, instruments of Western imperialism because of the way that the industrial-military takeover of Christianity has allowed people in countries such as Iraq to typify Christianity as belonging to the devil.

We must just hope that ways can be found for the wisdom of Solomon, and thank everybody, especially the right reverend Prelate, for bringing these matters to our attention today.

6.37 pm

Lord Taverne (LD): My Lords, I have little to add to what has already been said very eloquently about protecting the rights of religious and ethnic minorities in Iraq. I just want to say how much I sympathise with the views expressed by the noble Baroness, Lady Hodgson, about the Kurds.

I add my voice as a member of Humanists UK. We work closely with the Foreign and Commonwealth Office and the Department for International Development on human rights, and we were also founder members of the All-Party Group for International Freedom of Religion or Belief. What has not been mentioned in this debate is the severe discrimination and violent practices directed against non-religious individuals: the prosecutions for blasphemy, for holding or propagating atheist or humanist views, or the killing of those accused of apostasy.

In Iraq, religious authorities have supreme power over the state. Islam is explicitly the fundamental source of legislation, and the non-religious are barred from registering as such on ID cards, and have to list instead as one of a small number of religions. Possibly the worst feature of the attitude to the non-religious is the violence to which they can be subjected. An example is the account of a 15 year-old boy, Ahmad Sherwan, who had a debate with his father on 13 October 2013 during which he revealed that he no longer believed in God and thought that religion was just a myth. His father was furious, left home and reported him to the police. He was arrested at home at 11 pm. Three policemen hit him with belts, kicked him with their boots and tortured him with electric shocks at the police station. He said:

“I was left unconscious and whenever I tried to open my eyes, they insulted me, spat on me and beat me until I was unconscious again ... I attended a trial, but the judge insulted me. I talked about the right to free speech, he replied by shouting that there is no place on earth for disgraceful infidels like me”.

After 13 days, he was released.

We should not ignore the fact that a key element in the abuses in Iraq has been religious extremism, and we should be concerned to protect the rights of those who have no religious beliefs.

6.40 pm

Lord Collins of Highbury (Lab): My Lords, I, too, thank the right reverend Prelate for introducing this debate—a timely date, as the noble Baroness, Lady Anelay,

[LORD COLLINS OF HIGHBURY]

said. I declare an interest as a member of the All-Party Parliamentary Group for International Freedom of Religion or Belief, of which I am very proud. I am also a member because, as a gay man with no faith, I know the importance of building respect in all societies. Failure to do so can oppress us all. That is why I welcome the debate.

At the end of last year—noble Lords, including the noble Baroness, Lady Anelay, referred to this—Iraq's Prime Minister Haider al-Abadi declared the country's war against Daesh officially over. Daesh no longer holds significant territory in Iraq or Syria and, as Theresa May acknowledged at the time, while it is failing, it is not yet defeated. Daesh still poses a threat to Iraq, including from over the Syrian border. The key to the future, as we heard in this debate and on which the Prime Minister also remarked, is to help the Iraqi Government in winning the peace, addressing those issues that led to Daesh's rise and building a stronger, more inclusive and unified Iraqi state.

I therefore welcome the UK Government's investment of £30 million in stabilisation support, £20 million in humanitarian assistance and £10 million to support counterterrorist capacity-building in Iraq. Or course, that is on top of the UK Government's £200 million since 2014 to support the humanitarian response in Iraq.

However, as noble Lords have said—I am sorry to keep quoting the noble Baroness, Lady Anelay—to secure peace and reconciliation we must first ensure that those responsible for war crimes and genocide are held fully to account. I, too, welcome the Government's efforts in securing the UN resolution that has resulted in the international community being united in seeking accountability for those who perpetrated such crimes. We now have a United Nations helping to gather and preserve evidence for Daesh's crimes in Iraq. I very much welcome the £1 million to establish the UN investigative team that will lead these efforts, but I would be grateful if the Minister could tell us whether the United Kingdom has been successful in encouraging other countries to contribute to and support these efforts.

Wherever Daesh has been driven back in Iraq, the process of gathering evidence of its crimes can now proceed under the auspices of the United Nations. Alistair Burt, the Minister of State for the Middle East, has said that the United Kingdom will continue to work alongside the Government of Iraq and international partners to implement the resolution. Can the Minister can tell us exactly what those international efforts are and whether they have been successful?

As we heard in the debate, Iraq and the Middle East more widely remain a highly diverse region. Living peaceably with diversity is crucial if further sectarian violence is to be avoided and stability in the Middle East is to be secured. As we also heard in the debate, in Iraq there are ongoing reports of discrimination and violence based on religious affiliation, belief, non-belief or practice. As the noble Lord, Lord McInnes, said, minorities are underrepresented in elected positions, government appointments and public sector jobs.

Women and girls, regardless of their religious affiliation, are still being threatened for refusing to wear the hijab and for dressing in western-style clothing.

A recent survey of Iraqi nationals by the National Democratic Institute, which I read about in one of the briefings, showed that, while corruption was seen as the leading contributory factor to the rise of Daesh by something like 42% of respondents, this was closely followed by various factors that demonstrated a failure to live well with diversity, such as sectarian tensions, at 36%, the treatment of Sunnis, at 31%, and political parties, at 29%. However, as noble Lords have said, we have the example of Kurdistan, which demonstrates high levels of diversity and shows that they are not incompatible with a high degree of security—a case that may have lessons for the rest of Iraq.

Another reason to preserve diversity in Iraq is the principle held by many, including the writers of the 2005 Iraqi constitution, of the right to the freedom of religion or belief. Persecution has contributed to the departure of significant numbers of non-Muslims from the country. My noble friend Lord Glasman pointed out that there was a significant Jewish community in Baghdad until the 1940s, which has now completely disappeared. As the right reverend Prelate said, there are now fewer than 250,000 Christians in Iraq, down from a pre-2003 estimate of 1.4 million.

I agree with the comments made by noble Lords that reconstructing buildings alone will not ensure the return of minorities or the long-term security of Iraq. What is required is a level of social reconstruction that would enable the creation of an environment where minorities feel safe enough to return. As the right reverend Prelate said, that is also about trust, which is at the root of this security, both real and perceived. What steps are the Government taking to prioritise the development of a practical plan of action to ensure the protection of religious minorities in Iraq, including in their return home, and to provide funds to rehabilitate the liberated areas?

The noble Baroness, Lady Berridge, referred to the comments of the US Vice-President on the US withdrawal of aid to the UN in Iraq. I support her call for an independent review of the CSSF/DfID aid delivery mechanisms in Iraq to properly evaluate claims that aid distributed through the UN is not reaching religious minorities. I very much hope that the work that the Government have been doing on building peace and reconciliation in Iraq continues in the long term.

6.49 pm

Baroness Goldie (Con): My Lords, I first thank the right reverend Prelate for tabling this debate and all noble Lords for their thoughtful contributions, because this debate has been illuminating and instructive.

Following Iraqi Prime Minister Abadi's declaration of victory over Daesh last month, the focus must now turn to winning the peace, so I welcome this timely opportunity to set out the Government's post-conflict strategy in Iraq. I have listened with interest to the various observations made by Members during the debate and I shall try to deal, if not with specific contributions then certainly with the issues that have emerged.

We have all been appalled by the suffering of Christians, Yazidis and other minorities, as well as of the majority Muslim population, at the hands of Daesh in Iraq. My noble friends Lady Anelay and Lady Hodgson spoke of the appalling suffering of women at the hands of Daesh, and I think that we are all horrified at what has emerged in that respect. As the country begins the enormous task of repairing and rebuilding shattered lives and communities, it is vital that the reconstruction effort takes account of the needs and interests of all Iraqis. That is why we welcome the Iraqi Government's stated commitment to protect all its citizens. However, we are concerned by reports of continuing religious persecution.

Freedom of religion or belief is a fundamental human right. It is important for its own sake, because many millions of people around the world are guided and sustained by their faith. We also believe that tolerance and respect for all are essential foundations of a stable and successful society. The noble Lord, Lord Griffiths, referred to Christianity in Iraq having a small presence. To me, freedom of religion or belief is just that: it is respect for all faiths, regardless of their size. Indeed, the noble Baroness, Lady Deech, made that observation when she referred to the situation of those of the Jewish faith in Iraq.

By ensuring that everyone can contribute to it, society as a whole is better off. There is clear evidence to suggest that tolerant and inclusive societies are better equipped to resist extremism. My noble friend Lord McInnes spoke perceptively of the miscellany of different groups and faiths in Iraq. My right honourable friend the Prime Minister herself has spoken of the need to,

“stand up for people of all religions to practise their beliefs in peace and safety”.

This is why the British Government are working hard to promote and defend freedom of religion or belief in Iraq.

In recent months, we have seen promising signs of efforts to build community cohesion in Iraq's liberated provinces. To be successful, these efforts will need careful nurturing. My noble friend Lady Anelay spoke eloquently and with wisdom of the need to address underlying issues which, even with the defeat of Daesh, are still there and which must be recognised and dealt with. The noble Lord, Lord Glasman, also referred to long-standing issues that are part of the enduring situation in Iraq over many years. He also referred to the great suffering and fear and used a phrase which struck me: the rupture of trust. I think it very eloquently describes the difficulties which confront Iraq.

The purpose of this debate, from my perspective, is to explain the UK's post-conflict strategy. There are three strands to that strategy: humanitarian aid, stabilisation support and political engagement. Either directly or indirectly, all three help to protect the rights of religious and ethnic minorities. Addressing the immediate humanitarian suffering is an urgent priority. The UK has committed nearly £230 million in aid, including £40 million in this financial year alone. We have helped to provide food or safe drinking water to more than 1 million people and to give shelter to over 300,000. We provide assistance on the basis of need, irrespective of race, religion or ethnicity, and in line

with international humanitarian principles. This ensures that aid reaches the most vulnerable people—and in Iraq, many of these are indeed from religious and ethnic minorities.

In the post-conflict phase, stabilisation will also be critical. It will help minorities to feel safe about returning to their communities and beginning to rebuild their lives. The right reverend Prelate the Bishop of Coventry made the point that there is a fear among minority communities that Daesh will return. I say to him that the United Kingdom's activity is aimed at supporting Iraq, and that we hope thereby to reduce the risk of Daesh ever regaining a hold.

My noble friend Lady Anelay asked, in effect, what UK funding is achieving. That is a fair and important question. Since 2015, the UK has contributed over £65 million to stabilisation efforts in Iraq. That money has been spent on clearing IEDs and supporting the United Nations Development Programme's funding facility for stabilisation, which is rebuilding schools, water treatment plants and hospitals. As your Lordships will be aware, that funding is a pooled fund, but there are instances where we funded two specific FFS projects, one in east Mosul, to help with the repair of a water treatment facility and one in west Mosul, including the repair of 1,000 houses. In the pooled resource, we have contributed to 171 projects currently benefiting Christian and other communities on the Nineveh plains.

It is estimated that around three-quarters of a million Iraqis from minority communities will benefit from stabilisation projects. Stabilisation is about not just restoring physical infrastructure; it is also about the fundamental question raised by the noble Lord, Lord Glasman, of rebuilding trust. This community reconciliation is vital if Iraq is to enjoy a stable and prosperous future. My noble friend Lord McInnes rightly emphasised that. That is why, through our Conflict, Stability and Security Fund, and our diplomatic efforts, we are supporting the development of inclusive and representative reconciliation processes at both national and community levels.

The third element of our post-conflict strategy is political engagement. As I said, we welcome the commitment of our Iraqi allies to protect the rights of all religious and ethnic minorities. We will continue to work with them to hold them to that commitment. That means continuing to stress the importance of religious tolerance, mutual respect and understanding and the benefits that they bring to all, and promoting this message at all levels in government and civil society.

The noble Lord, Lord Glasman, talked of the need for leadership training in the minority communities. That is very important. That is why, in our discussions with the Government of Iraq and the Kurdistan Regional Government, we underline the importance of protecting minorities, and of taking their needs into account when planning for the future. We also engage closely on this issue with religious leaders in Iraq. As a number of your Lordships observed, women have a very important role to play in all of that.

The right reverend Prelate the Bishop of Coventry asked about long-term strategy. I hope that what I am outlining indicates what the United Kingdom's three-pronged approach is intended to achieve—that

[BARONESS GOLDIE]

humanitarian aid, stabilisation and political engagement are all about a future for Iraq. There will be elections in that country this year and these messages will become even more important.

My noble friends Lady Anelay and Lady Hodgson raised a number of issues about UK support to the Kurds. The Government have recognised the Kurdish contribution to both fighting Daesh and hosting people from across Iraq, including many Christians displaced by conflict. The UK supports humanitarian camps in the Kurdish region and our Armed Forces work closely with the Kurdish Peshmerga, as they do with the federal Iraq security forces.

The issue was raised of relations between the Government of Iraq and the Kurds. On the referendum last September, we made it clear that we would not support any unilateral move towards independence. We are encouraging dialogue between Baghdad and Irbil to ensure they put the relationship on to a sustainable long-term footing, and we are doing everything we can to encourage the resolving of differences.

A number of points were raised by my noble friend Lady Berridge. I hope I have managed to outline what humanitarian and stabilising work we are doing and how that is targeted at minorities. She mentioned in particular discrimination against minorities in camps.

DfID and FCO staff regularly discuss the situation of minorities with United Nations humanitarian camp staff and NGOs, including Christian NGOs. We have received no evidence of discrimination against minorities trying to access humanitarian aid. However, we continue to raise this subject and would look to investigate any substantive accusations.

The noble Lord, Lord Collins, raised the important issue of accountability—bringing perpetrators to account. He will be aware of the United Kingdom's leadership in the United Nations on getting a resolution passed, in which we were successful, which is all about doing just that.

I may not have managed to cover all points raised, but I undertake to look at the *Official Report* and deal with any matters that I have not managed to address specifically in my concluding remarks. The Government firmly believe that religious freedom is not just an important right in itself but a vital foundation for a stable and prosperous society. That is why we are working so hard to support a truly inclusive and representative process of reconciliation in Iraq. It offers all Iraqis the best chance of long-term peace and prosperity, and we will continue to strive to help them to realise that goal.

House adjourned at 7.01 pm.

